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Japan

Washington, Tokyo 'Wide Apart' in Auto Talks

OW2703113995 Tokyo KYODO in English 1111 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Prime Minister Tomiichi Murayama showed pessimism about the Japan-U.S. auto trade talks, which resumed Monday [27 March] in Tokyo, saying the two sides are still wide apart.

Murayama told reporters it is difficult for the government to intervene in private affairs, reiterating that it is a matter to be sorted out by the industries of both countries.

Japan and the United States resumed subcabinet-level negotiations on automobile and auto parts trade, one of the thorniest issues pending between the two countries.

Murayama ruled out the possibility that the outcome of the negotiations will affect the foreign exchange market.

Further on Settling Auto Issue

OW2703133895 Tokyo KYODO in English 1304 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Attempts to settle the long-drawn auto trade talks between Japan and the United States, especially on U.S. access to Japan's replacement parts market, were aborted Monday [27 March], with the U.S. making what Tokyo views as "difficult new requests."

Subcabinet-level talks on ways to improve foreign penetration in Japan's auto parts and finished-car markets, were held in Tokyo in search of a breakthrough in the only pending issue among the four priority framework topics.

"U.S. proposals on ways to deregulate Japan's replacement market were very disappointing," said Japanese negotiator Masahide Ochi, counselor for international affairs at the Transport Ministry, at a news conference.

Briefing reporters at a separate press conference, U.S. Undersecretary of Commerce Jeffrey Garten harshly criticized Japan for what he sees as its lack of efforts to improve the situation.

"The aftermarket for replacement parts in Japan is strangled by regulations," said Garten.

One senior Japanese Transport Ministry official, who declined to be named, said, "Japan and the U.S. have entered a total battle on the auto parts dispute."

During the one-day high-level meeting, Washington offered a set of proposals on two goals—ways to expand the number of Japanese auto dealers handling U.S. models and to relax the government grip on rules and regulations concerning replacement parts.

Both parties remained tight-lipped about specifics of the new U.S. proposals, noting negotiations will continue on a working-level basis for two more days.

Yoshihiro Sakamoto, vice international trade and industry minister for international affairs, the chief negotiator for the Japanese delegation, said some of the proposals were "worth consideration."

"But a wide gap was found in other proposals," he added.

Sakamoto said a "matchmaking plan" previously proposed by Tokyo for business arrangement between Japanese dealers and U.S. carmakers was "appreciated" by the U.S. side.

Wrangling over the replacement parts market has centered around Japan's auto inspection system, which was recently described by U.S. Trade Representative Mickey Kantor as "overregulated."

Kantor then said the Japanese "use safety for every excuse to keep U.S. parts out of the market."

In the previous meetings, Tokyo rejected any U.S. proposals on the inspection as nothing but a call for the system's total abolition.

The Transport Ministry's Ochi said, "On Monday, the U.S. raised all kinds of issues on the replacement parts market and claimed Japan's auto inspection is a hindrance to U.S. imports."

"U.S. requests on that aspect of the auto trade thus expanded significantly. We cannot accept holding talks on such a wide-scope basis," said Ochi.

Ochi's criticism apparently reflects Japan's fear the latest U.S. proposals on replacement parts trade would eventually lead to a total repeal of Japan's inspection system.

Ochi expressed skepticism about early settlement on the replacement trade, saying, "I'm not sure where the talks will go."

But he added that if accords are struck by the end of March, these steps will be included in the government's five-year deregulatory package.

Monday's auto trade meeting was the first since mid-February.

The resumption came after Washington agreed to a set of Japanese-imposed conditions, including rejection of any punitive approach like the use of the section 301 trade law [Super 301 provision of the 1988 Omnibus Trade Act] and the Japanese Government playing no role in voluntary foreign auto parts purchase plans by Japanese carmakers.

Japan's chief negotiator Sakamoto said, "Washington honored the commitment on these conditions during Monday's talks." But he voiced dissatisfaction over the recent series of U.S. remarks seeking the Japanese Government's role in the voluntary plan.

"They did not raise the issue face to face with us. But I have often heard their requests on that issue over there (the U.S.)," Sakamoto said.

Briefing reporters, Ira Shapiro, another U.S. negotiator, expressed hope for Tokyo's commitment on new voluntary plans for buying components from U.S. makers.

Shapiro, general counsel of the office of the U.S. Trade Representative, said, "...The voluntary plans in 1992 played a useful role, they did contribute to an expansion of competitive U.S. auto parts purchases and they contributed to progress."

"We think that voluntary plans, if they are forthcoming, would be a helpful contribution," Shapiro said.

But he added Washington will not coerce Japanese automakers on that plan, saying, "Whether they (the plans) are forthcoming or not depends on the auto companies."

Japan's Sakamoto told reporters, "If the U.S. officially makes certain requests on the voluntary plans, then the bilateral auto talks would become no easy issue."

Washington initiated a section 301 probe into Japan's auto trade following a rupturing of the talks at the beginning of last October.

The U.S. sounds eager to settle the auto talks at an early date while Tokyo appears to be sticking to no particular time frame.

Garten said, "It is our intention to increase the pace of negotiations now."

Previously, some news reports said Washington has moved up the section 301 sanctions deadline from Sept. 30 to the end of April, an action repeatedly denied by the Japanese side.

Sakamoto said, "I had no impression today that the U.S. is in great haste."

He said the next high-level auto talks may be held in Washington in April.

Official Expects 'Turning Point'

OW2703013295 Tokyo KYODO in English 0115 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Japan and the United States resumed auto trade talks Monday [27 March], with Japan hoping for a "turning point" in the long negotiations and the U.S. vowing broad-ranging talks.

Subcabinet-level negotiations began in the morning at the Ministry of International Trade and Industry (MITI) in Tokyo after a hiatus since the U.S. left the table in mid-February, citing "a wide discrepancy of views."

The U.S. side, led by Undersecretary of Commerce Jeffrey Garten and Ira Shapiro, general counsel for the Office of the U.S. Trade Representative, was expected to offer new proposals to expand U.S. penetration of Japan's auto and auto parts markets, a top MITI official said over the weekend.

The Japanese side, led by MITI's vice minister for international affairs, Yoshihiro Sakamoto, and his Transport Ministry counterpart, Masahide Ochi, wants to focus the talks on Tokyo's offer of assistance to expand business opportunities in the private sector and deregulation of the parts market, Japanese officials said.

They said both sides agreed that Monday's vice minister-level talks and a subsequent two days of working-level talks will not take up U.S. calls for Japanese automakers to boost their purchases of foreign parts and that the talks will not be used as a basis for action against Japan under section 301 of the 1974 U.S. trade law.

But Trade Representative Mickey Kantor, blasting the Japanese market Thursday as undeniably closed, said this week's talks will cover "a whole range of problems in terms of penetration of markets."

The MITI official said he expects the talks to "become a kind of turning point," leading to a resolution before a trade ministers' conference in Canada scheduled in May.

Komura: Framework Remains To Stem Yen Surge

OW2603062595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Mar 95 Evening Edition p 3

[FBIS Translated Text] At a news conference held after a 24 March cabinet meeting, Masahiko Komura, director general of the Economic Planning Agency [EPA], commented on the yen's appreciation. He implied the possibility of Japan and the United States taking concerted actions, including financial policy, saying: "The Japan-U.S. framework of cooperation aimed at redressing the yen's appreciation and the dollar's depreciation has not collapsed yet." However, he stressed that the U.S. Government's irresponsible financial policy is the fundamental reason for the yen's surge, saying: "The U.S. Government has not shown a resolute attitude toward reducing financial deficits."

Komura said: "In the United States, there also are some people who recognize the danger of the dollar's recent depreciation." He thus noted that if certain measures are not taken to arrest the drop in the dollar's value, the U.S. stock and financial markets would be adversely impacted. In addition, he referred to Japan-U.S. cooperation in implementing the financial policy, and said: "In view of the two countries' domestic circumstances, it is difficult for them to take concerted actions. However, I believe certain efforts will be made, mainly by the monetary authorities."

Interim Report on Deregulation Program Reviewed

OW2403141495 Tokyo KYODO in English 1054 GMT 24 Mar 95

[FBIS Transcribed Text] Tokyo, March 24 KYODO—The government and ruling coalition will put the final touches Monday to a comprehensive five-year program to ease administrative rules and economic regulations, informed sources said Friday [24 March].

The sources also said the United States has sought a thorough review of all existing regulations, expressing displeasure that Japan has taken no initiative to open its markets wider to foreign businesses in 10 areas, including automobile parts, distribution and telecommunication companies and financial services.

Washington argued that the interim report showed no substantial change in Japan's stance on auto and auto parts trade and did not respond to U.S. requests for relaxation of regulations such as those requiring periodical safety inspections on autos and those governing auto parts imports, they said.

They said their efforts have made slow progress so far, with a draft plan almost unchanged from an interim report unveiled March 10.

Progress was made only on the issue of regulations on large-scale retail stores, with the draft calling for a review of the restrictions by fiscal 1999, the sources said.

Cabinet ministers concerned got together earlier Friday and agreed to make final efforts to thrash out the complete program by the end of March.

They reaffirmed the need to live up to domestic and foreign expectations for deregulatory efforts, Chief Cabinet Secretary Kozo Igarashi told a news conference.

The sources said the government of Prime Minister Tomiichi Murayama and three ruling coalition parties will step up efforts to take concrete steps toward introducing a price cap system for railway fares and liberalizing holding companies, currently banned under the Antimonopoly Law.

The draft program stipulates that the government will review new regulations within a certain period, the sources said.

It will also call on the government to survey the impact of regulations on economic activity, they said.

The government and ruling coalition are compelled to take dramatic deregulatory measures to give foreign enterprises wider access to Japanese markets.

The interim report drew disappointment at home and abroad as it was more or less a rehash of measures already planned by ministries and agencies.

The final program is intended to fulfill Japan's de facto international pledge to restructure the nation's economy through deregulation.

It is also expected to trim Japan's chronic trade surplus, seen as a major factor behind the yen's recent appreciation.

The final program will comprise about 1,050 deregulatory steps, including some fresh measures, Igarashi said.

Deregulation Subcommittee Planned by Mid-Apr

OW2703014095 Tokyo YOMIURI SHIMBUN in Japanese 23 Mar 95 Morning Edition p 2

[FBIS Translated Text] On 22 March, the Administrative Reform Promotion Headquarters (chaired by Yotaro Ida), which is assigned to monitor progress in administrative reform, decided to form, by mid-April, a subcommittee aimed at monitoring progress in implementing the deregulation program. The subcommittee will draw up a report on ways to revise the five-year deregulation program as early as fall this year. Taking this report into consideration, the Administrative Reform Promotion Headquarters will offer its opinions to the prime minister as early as the end of this year.

Government To Finalize Deregulation 28 Mar

OW2703092195 Tokyo KYODO in English 0847 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—The government and the ruling coalition parties will finalize a comprehensive five-year plan Tuesday [28 March] evening to relax administrative rules and regulations, a government spokesman said Monday.

Deputy Chief Cabinet Secretary Hiroyuki Sonoda told a news conference that both the government and the coalition should make final efforts Monday to coordinate their views.

"We would like to make final adjustments between the government and the ruling parties tomorrow evening," he said after a special meeting of cabinet ministers involved in the government's deregulatory efforts.

Questioned about the handling of a ban on stock holding firms, a major item expected to be referred to in a final package, Sonoda replied, "It is also an important point and it is no secret that we are discussing the matter."

The Fair Trade Commission, Japan's antitrust watchdog, fears that lifting the Antimonopoly Law restriction on holding companies could strengthen the system of "Keiretsu" corporate groupings, which are bound together through interlocking shareholdings.

Sonoda said yet another special cabinet meeting set for Tuesday evening to nail down a draft of the deregulatory program to be approved by the entire cabinet Friday.

Prime Minister Tomiichi Murayama's administration has vowed to come up with a five-year deregulatory plan by the end of this month.

The final program will aim to fulfill Japan's de facto international pledge to restructure its domestic economy through deregulation.

It is also expected to slash Japan's chronic trade surplus, seen as a major factor behind the recent steep rise of the yen against the U.S. dollar and other major currencies.

Ministers To View Ban on Stockholding Companies

OW2703053695 Tokyo KYODO in English 0431 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—The government of Prime Minister Tomiichi Murayama will nail down a comprehensive five-year program Monday [27 March] afternoon to ease administrative rules and regulations.

During a special meeting, cabinet ministers will try to flesh out an interim deregulation report released March 10. The cabinet is scheduled to approve a final package Friday.

A major topic for discussion is how to handle a ban on stock holding companies and a possible reinforcement of the functions of the Fair Trade Commission (FTC).

Chief Cabinet Secretary Kozo Igarashi told a news conference that the ban is a uniquely Japanese problem among the Group of Seven major economic powers and will naturally be subject to discussion.

The FTC, Japan's antitrust watchdog, fears that lifting the antimonopoly law restriction on holding companies could strengthen the system of "keiretsu" corporate groupings, which are bound together by interlocking shareholdings.

"The handling of this issue will also be up for discussion. This is all I can say right now," the top government spokesaman said.

The midterm report sparked criticism from home and abroad as it was more or less a rehash of steps previously planned by government ministries and agencies.

The final program will aim to fulfill Japan's de facto international pledge to restructure its domestic economy through deregulation.

It is also expected to slash Japan's chronic trade surplus, seen as a major factor behind the yen's recent steep rise against the U.S. dollar and other major currencies.

Editorial on Interim Deregulatory Report

OW2703005395 Tokyo SANKEI SHIMBUN in Japanese 14 Mar 95 Morning Edition p 2

[Editorial: "Do Not Emasculate Deregulation"]

[FBIS Translated Text] People term the deregulations a "zero march in Kasumigaseki." The metaphor is used to ridicule the bureaucracy, which is negative about administrative reform. The bureaucracy's negativity about administrative reform is evident in an interim report that each government ministry and agency have compiled as part of the effort to draw up a five-year plan for the relaxation of regulations.

The interim report explicitly indicates that "deregulatory measures" will be taken for about 700 out of about 1,700 regulations, the relaxation of which have been demanded by the Untied States and economic organizations at home. While the Health and Welfare Ministry has put forth a plan to promote parallel imports of cosmetics, the Finance Ministry has put forth a plan to lift the ban on 10-year time deposits of money at banks. The government had already decided to relax many of the regulations in the interim report, and the report contains no new regulations to be relaxed.

As for the remaining approximately 1,000 regulations, the interim report says the relaxation is "under study" or "hard to implement." In this way, the interim report refuses to relax them at an early date. Almost all regulations which, if relaxed, could lead to the revitalization of the economy, are not contained in the interim report.

With regard to the review of the price support system that has kept farm produce prices sky high, for example, the Ministry of Agriculture, Forestry, and Fisheries has refused to revamp the system by claiming, "We need to maintain it even in the future." No aggressive steps are seen in the interim report toward softening conditions on participation in the telecommunications business and abrogating the Large-Scale Retail Store Law.

There is a limit to asking government offices to map out a package of deregulatory measures. For bureaucrats, the regulations are the biggest interests. The bureaucrats, therefore, have resisted relaxing them, citing various excuses. It will be impossible to execute the relaxation of regulations unless politics removes the bureaucratic sanctuary.

The number of regulations, including certifications and approvals, under control of central government ministries and agencies totals 11,000. Regulations that had the effect of developing the economy are now keeping the people and enterprises from taking free actions and making free choices. Deregulations are imperative for improving the quality of livelihood, creating new business opportunities, and defusing trade friction with other nations.

Great effects of deregulation have already been proven in several examples. The expanded imports of canned beer in the wake of the appreciated yen and the deregulation on liquor licenses have sparked a price war, thereby largely reducing the price differential between Japan and other nations in the two items. Since the sale of cellular telephones were liberalized last spring, the price of a cellular telephone has fallen from about 100,000 yen to 20,000 yen. What is notable is that the demand for cellular telephones has doubled in a short period of time.

With the world entering a major competition age, the "five-year plan" is an important guideline for rebuilding Japan's economic structure. Diluting the deregulation cannot be allowed. A package of deregulatory measures that is mapped out by bureaucrats will only deepen the distrust of Japan in other nations and further precipitate the yen's appreciation.

Politicians must decide on policies and take responsibility for the outcome. A provision should have been incorporated in the interim report that explicitly indicates when to abolish economic regulations aimed at coordinating the demand and supply.

Two weeks remain for the government to draw up the five-year plan by the end of March. We hope that politicians, bureaucrats, and businesses will cast off their collusive relationship with politicians taking the lead in breaking up various vested interests.

Okinawa Mayor Seeks End to U.S. 'Occupation'

MS2703084695 London FINANCIAL TIMES in English 27 Mar 95 p 4

[Report by Gerard Baker: "Okinawans Seek An End to US 'Occupation'"]

[FBIS Transcribed Text] Fifty years ago last week, 19-year old Masahide Ota was hauled from his school in southern Okinawa, and, along with thousands of his fellow-students, found himself sucked into the nightmarish denouement of the second world war.

He was given a uniform and a rifle and was forcibly enlisted in the "Blood and Iron Student Corps", a specially created unit of schoolboys given the task of contributing to the island's defence against invading US forces.

The Japanese military's strategy was a cynical sacrifice of the small island to buy time for the defence of Japan proper—time bought at the eventual cost of a third of the population of Okinawa.

A half-century later the young man who witnessed the brutality on the island is now its governor.

Today, he finds himself again in the critical phase of another struggle over its future, a fight much less bloody than the savagery of 50 years ago, but one of significant modern-day consequence for relations between Japan and the US.

The struggle today is to rid the island of the principal legacy of the Battle of Okinawa one of the largest concentrations of military bases anywhere in the world. It is a fight that seems set to come to a head in the next few weeks, as a succession of tripartite meetings are scheduled between the Okinawans, the US and the Japanese government.

"The Okinawan people have waited for the benefits of the peace dividend for too long," says Mr Ota.

"In this, the 50th anniversary of the battle of Okinawa, it is our real hope that the first steps can be taken."

But those hopes of progress are dimmed by the realisation that real change lies not in the islanders' own hands, but in Tokyo—in the hands of a government that has treated them as little better than vassals in the past.

After the war the US stayed on, occupying Okinawa long after their rule had ended on the main islands of Japan.

They finally handed it back to Japan in 1972. But they did not return most of their military property.

They have maintained a massive presence—more than 50,000 servicemen and women and their families, the largest air base in Asia, and enough firepower concentrated in ships, aircraft and tanks to conduct a sizeable regional war—all in a little over 2,000 sq km of tropical Pacific terrain.

Ever since the formal reversion of the island to Japan, the Okinawans have been lobbying hard for the closure of at least some of the bases, but without success.

When the cold war ended they sensed an opportunity to begin the process of demilitarisation. But while the US military has retrenched around the world, in Okinawa, the reduction has been minimal.

The governor and local politicians argue that the existence of the US bases is a blight on the country's society and economy.

Dozens of local people have been killed in accidents involving US military, while crime committed by US personnel is a growing problem, and the presence of the bases inhibits opportunities for other economic activities.

Okinawa has the lowest income per head of Japan's 47 prefectures, the lowest levels of educational attainment and one of the least advanced infrastructures.

"We could rebuild our economy with our own hands if only we had access to the land and resources now held by the US," says Mr Ota.

And the prospect of again being a battlefield in the event of regional conflict troubles its people.

But what particularly irks them is that their tragic history has singled them out for a vastly disproportionate share of Japan's US military burden. More than 70 per cent of all US forces in Japan are located in Okinawa, an island that accounts for less than 0.5 per cent of the country's total land area.

Mr Zenshun Arakaki, a leading socialist member of the Okinawan assembly, says: "Though we have no personal animosity towards US forces we consider their continued presence here as a reflection of a war that is unended—they are in effect an occupying force."

The bases are on the island in accordance with successive US/Japan security treaties which began in 1952.

The pressure from the Okinawan government has at last resulted in progress of a sort for the last six months the Japanese authorities have been negotiating a return of the land occupied by three bases to the Okinawan people: a naval facility in the prefectural capital, Naha, a firing range and an airfield.

The US has agreed, in principle, to the return of the land.

But the US is adamant that any lands given up should be replaced.

Gen John Shalikashvili, the chairman of the US joint chiefs of staff, said earlier this year the US would agree to change on the principle of "leaving it as it is"—that is, that there should be no net reduction in facilities.

He indicated that the US would not be opposed to closing some bases as long as alternative sites in Japan were found.

This is hardly surprising. US bases in Japan are among the cheapest in the world because the Japanese government agrees to pay for the cost of the land and many of the facilities.

That puts the onus on the Japanese government.

Though it is prepared to move some small facilities to the mainland, it is anxious not to agree to a significant transfer.

Last autumn, the chief bureaucrat at the Defence Facilities Agency revealed the Japanese view when he told the Okinawans they would have to accept US bases for ever.

The cruel irony for the Okinawans is that they may succeed in getting some bases closed—only to see others opened up or extended elsewhere on the island.

They are understandably bitter. According to Mr Arakaki: "The Japanese have sacrificed the Okinawans for their military ends before. We remain little more than a tool for the Japanese government."

Kuriyama Voices Concern at U.S. Stance on UN

OW2703022395 Tokyo ASAHI SHIMBUN in Japanese 23 Mar 95 Morning Edition p 2

[Article by Iryo Kimura]

[FBIS Translated Text] Washington, 22 March—At a 21 March news conference, Japanese Ambassador to Washington Takakazu Kuriyama commented on the fact that the House of Representatives has passed the National Security Restoration Bill, which is aimed at sharply reducing U.S. spending for UN peacekeeping operations (PKO) and is currently being discussed in the Senate. He said: "It is not good if the United States becomes excessively self-centered and takes a passive stance toward the United Nations. I cannot help but feel a little anxious about this matter." In addition, he showed his intention to meet with several senators concerned to inform them of the Japanese Government's demand for the United States to attach importance to UN programs.

Ambassador Kuriyama's remarks can be interpreted as Japan's strong concern over the possibility that if this act is approved by the U.S. Senate, the UN budget for PKO will suffer a fatal blow.

Murayama's Agenda During May PRC Visit Noted

OW2603113895 Tokyo ASAHI SHIMBUN in Japanese 26 Mar 95 Morning Edition p 1

[FBIS Translated Text] It has been decided that Prime Minister Tomiichi Murayama will visit China in early May. He is scheduled to leave on 2 or 3 May and return home around 7 May. He will hold talks with such Chinese officials as State President Jiang Zemin and Premiere Li Peng. This was disclosed by an official close to the prime minister. China extended its invitation during the Japanese-Chinese summit talks held in Copenhagen on 11 March, and Japan has officially decided to accept the invitation.

The issue on providing aid to the DPRK for its shift to light- water reactors will be brought up for discussion during talks with President Jiang and other officials. Since China has indicated its negative approach toward joining the "Korean Peninsula Energy Development Oraganization (KEDO)," which has been set up to provide aid to the DPRK, Japan intends to repeat its request for China's participation. With regard to the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka in November, Japan will ask China for its cooperation. Since Taiwan President Li Teng-hui has indicated his intention to attend the forum, it is observed that China will request that Japan take a cautious approach toward this issue.

Moreover, other issues such as security in the Asian-Pacific region will also be brought up for discussion.

Patent Agency Chief To Protest China on Piracy

OW2603234195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Mar 95 Morning Edition p 1

[FBIS Translated Text] A survey conducted by the Ministry of International Trade and Industry [MITI] has revealed that large quantities of imitation Japanese products are produced in China and that Japanese businesses are suffering considerable losses in such areas as patent and trademark rights. About 20 cases of damages from imitation products like fake Honda Motor

Company motorcycles and fake Nintendo or Sega Enterprise games have been reported.

Akira Takashima, director general of the Patent Agency, will leave for China on 26 March and will present four demands on this issue to the representative of the PRC Patent Office at the regular Japan-PRC patent authorities' conference to be held on 27 March.

Between the United States and China, the problem of intellectual property rights violations has developed into an issue of economic friction. MITI is hoping to prevent such a problem between Japan and China from turning into a trade issue by offering China a plan to improve its intellectual property protection system.

According to a survey on intellectual property rights violations conducted by MITI and the Patent Agency with the cooperation of such private-sector organizations as the Japan Intellectual Property Association, the damage from imitation floppy disks and dry batteries were most conspicuous. In the case of the dry batteries, there were even indirect cases of damages reported, such as real Japanese-made electric equipment having been damaged by acid from leaky Chinese imitation battery products.

The fake Honda motorcycles were an extremely bad case as even Honda's trademark was used on the products. Cases of infringment on patents were reported even in producing intermediate materials like alloys for magnets.

In order to put a stop to such damages, MITI and the Patent Agency will demand of China that: 1) The system of protecting intellectual property rights be improved and strengthened; 2) the rules of operating the existing system on patent and trademarks be made more transparent; 3) internationally known trademarks be protected; and 4) control measures on violations be toughened.

Tokyo Conditionally Approves Dalai Lama's Visit

OW2503071795 Tokyo KYODO in English 0712 GMT 25 Mar 95

[FBIS Transcribed Text] Tokyo, March 25 KYODO—Japan will issue an entry permit for the Dalai Lama on the condition he will not engage in political activities while in the country, government sources said Saturday [25 March].

The sources said the Nobel prize-winning Tibetan spiritual leader will be issued a visa as early as Monday.

He is scheduled to visit Japan from March 29 to April 6 as the guest of a religious organization based in Okayama, western Japan.

He will visit the Peace Park in Hiroshima and take part in religious activities.

Foreign Minister Yohei Kono said Japan has the right to allow his visit if it is not politically motivated. He said the government hopes China will understand this position.

The Dalai Lama's scheduled visit to Japan has provoked criticism from China, which warned the trip would undermine bilateral relations between Tokyo and Beijing.

Chinese Foreign Ministry spokesman Shen Guofang, quoted by XINHUA NEWS AGENCY, called the visit "interference in China's internal affairs" and described the Dalai Lama as a politician in exile who is "engaged in activities intended to split the motherland and sabotage national unity under the pretext of religion."

Japan's decision to allow his visit does not run counter to the spirit of the 1972 declaration on the normalization of Japan-China relations, a senior official of the Japanese Foreign Ministry said.

Ukraine's Kuchma Departs Tokyo For Home 25 Mar

OW2503151595 Tokyo KYODO in English 1352 GMT 25 Mar 95

[FBIS Transcribed Text] Tokyo, March 15 KYODO—Ukrainian President Leonid Kuchma left Tokyo's Haneda Airport Saturday [25 March] for home, concluding a four-day visit to Japan.

Kuchma met Prime Minister Tomiichi Murayama on Thursday and issued a joint statement outlining foundations for bilateral political and economic relations.

The Japanese and Ukrainian leaders also agreed to support an indefinite extension of the nuclear Nonproliferation Treaty (NPT) which comes up for renewal this year.

Ukraine, one of the four former Soviet Republics that inherited more than 1,000 nuclear warheads when the Soviet Union collapsed in 1991, formally renounced nuclear arms and joined the NPT as a nonnuclear state last December.

The 1970 treaty commits nonnuclear countries to never acquire or produce nuclear arms, but permits the existing nuclear powers—the United States, Russia, China, France and Britain—to possess such weapons.

On Friday, Kuchma went to Kyoto, western Japan, which is the sister city of the Ukrainian capital, Kiev, and also visited Nagoya, central Japan, ahead of the departure.

Mubarak Interviewed on NPT, Mideast Peace

OW2503170295 Tokyo ASAHI SHIMBUN in Japanese 11 Mar 95 Morning Edition p 8

[ASAHI SHIMBUN summary of interview with Egyptian President Husni Muhammad Mubarak by correspondents Shigeo Arata and Yasunori Kawakami at the president's official residence in Cairo on 9 March]

[FBIS Translated Text] **Extension of the nuclear Nonproliferation Treaty (NPT)**

What we are seeking is peaceful coexistence, and we cannot accept the fact that Israel alone possesses nuclear arms.

We aim to abolish weapons of mass destruction such as chemical and biological weapons from the Middle East. Following our steps, Israel should join the NPT and accept nuclear inspections.

We are not asking Israel to join the NPT or remove its nuclear facilities immediately. It should, at least, work out a schedule for joining the NPT in two or five years.

No discrepancy in views exists between Egypt and the United States on the NPT issue. The United States has a full understanding of Egypt's claim and stance.

Egypt has no intention to break away from the NPT system.

Palestinian Provisional Autonomy

Schedules for expanding Palestinian autonomy and for conducting elections are established in the Palestinian Provisional Autonomy Accord and the agreement on enforcing the accord. The major point at issue lies in the fact that we have fallen behind these schedules.

First, for the purpose of breaking the deadlock, Israeli troops should withdraw from Palestinian residential areas on the west coast of the River Jordan in compliance with the agreement. It will then be possible for the Palestinians to hold elections.

There should be no setback in peace efforts. However, if this deadlock is allowed to continue, anti-peace extremists will gain power. Without progress in promoting peace in Palestine, it will be difficult for Israel to achieve peace with the remaining two countries—Syria and Lebanon.

When the Camp David Accord was signed (in 1978), there were only 48 settlements for Jewish people. However, the number of such settlements has now reached 189. Since the increase and expansion of settlements constitutes an obstacle to achieving peace, measures should be taken to stop this tendency.

Arab Unification

Since assuming the presidential post, I have made efforts to promote unity among the Arabs. However, the unity has been crashed as a result of Iraq's invasion of Kuwait.

It will be difficult to hold summit talks among various Arab countries. And if all Arab countries are asked to participate, talks will end up in disputes because of the great discrepancies in views.

Peace Between Israel and Syria

No peace can be achieved without Israel's complete withdrawal from its occupied Golan Heights in Syria. I think Syria will agree to no other conditions.

Lifting Sanctions Against Iraq

It will still take time to eliminate the grudge caused by the Iraqi troops' invasion of Kuwait, killing of people, and robbing of properties. However, the situation has become much better than before.

The international community supports the UN Security Council's resolution on imposing sanctions against Iraq. However, the point at issue now lies in the fact that many people in Iraq under the sanctions have become miserable victims, deprived of food and unable to visit hospitals.

Terrorism of Islamic Extremists

Terrorism is a phenomenon that can take place anywhere in the world. Egypt certainly is not conspicuous [medatsu] in this concern. Speaking of Islamic extremists, they have no connections to Islam.

Expectations on Japan

Japan maintains friendly relations with Egypt, and we support Japan's efforts to win permanent membership to the UN Security Council.

We hope that Japan will provide aid for the project to build bridges across the Suez Canal. Bridges connecting Egypt, Israel, and Syria will be of great significance (as a symbol of Mideast peace). As far as Japan is concerned, it will bring about good propaganda effects.

Egypt's Moussa Interviewed on NPT Extension

OW2503150295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 3

[FBIS Translated Text] On 14 March, Egyptian Foreign Minister Moussa, who is currently visiting Japan, granted an interview to a NIHON KEIZAI SHIMBUN reporter in Tokyo. During the interview, Moussa touched on the conference to restudy and extend the nuclear Nonproliferation Treaty (NPT), which will be held in April, and disclosed that on condition of Israel's joining the treaty within three years, Egypt will support a proposal for extending the treaty with a time limit. He then stated: "This proposal will be finalized as the consensus of all Arab countries" at the Arab League meeting to open in Cairo on 22 March. In this way, he stated his idea of bringing about unity among Arab countries.

Concerning the proposal for the NPT's indefinite extension, Moussa said: "It is no longer one of our options." While stating that Israel's nuclear bases are taken as "an actual threat" existing close to the border areas of neighboring countries, Moussa stressed: "It is our major compromise to set a certain moratorium for Israel's participation in the NPT." Concerning this moratorium, he indicated his intention to arrange a period of consultations over the issue on how to deal with Israel's nuclear arms.

With regard to other Arab countries, he said: "It is apparent that they share the same stance as Egypt." He also said that after working out a consensus during the Arab League meeting, President Mubarak will "announce the proposal as the consensus of all Arab countries" during his visit to the United States in early April.

In connection with economic issues, Moussa said: "An accord on economic cooperation aiming at achieving trade liberalization is expected to be reached with the European Union (EU) by this year's end." In this way, he indicated his view that the expansion of trade with the EU may lead to welcoming enterprises.

Coalition Leaders on Early Start of DPRK Talks

OW2703123195 Tokyo KYODO in English 1204 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Two ruling coalition leaders said Monday [27 March] they expect a planned visit by Japanese lawmakers to North Korea to pave the way for an early resumption of stalled normalization talks, a view that contrasts with one held by the Foreign Ministry.

Wataru Kubo, secretary general of Prime Minister Tomiichi Murayama's Social Democratic Party [Social Democratic Party of Japan], said in an interview with KYODO NEWS SERVICE that he expects to see the talks resumed at "a very early date."

In a separate interview, Yukio Hatoyama, a senior official of New Party Sakigake [Harbinger], said that the planned visit by ruling coalition officials will set the stage for a resumption of bilateral normalization talks in April or May.

Both Kubo and Hatoyama are to be part of an 11-member delegation from the ruling coalition that is due to leave for North Korea on Tuesday for a three-day visit aimed at breaking an impasse in bilateral talks, which have been stalled since 1992.

The mission, to be led by Former Foreign Minister Michio Watanabe of the Liberal Democratic Party (LDP), will also include lawmakers from the LDP, the largest among the three parties making up the coalition.

Both Kubo and Hatoyama said they could seek to persuade North Korea to accept South Korean-style nuclear reactors under a landmark nuclear agreement with the United States.

"There is the possibility of asking for a North Korean understanding by saying that South Korean models should be accepted," Hatoyama said.

Under the agreement, Pyongyang pledged to shut down existing reactors suspected of being used to develop atomic bombs, on condition that it is given light-water reactors that produce less weapons-grade plutonium. But North Korea has refused to accept South Korean-style reactors.

A senior Foreign Ministry official said it remains uncertain whether the stalled bilateral negotiations will be resumed following the visit by the ruling coalition mission.

"Unless the dispute over light-water reactors is resolved, there will be no substantial progress in negotiations between Japan and North Korea," the official said.

Tokyo and Pyongyang began talks on establishing diplomatic ties in early 1991, but the negotiations broke down in late 1992 when the North rejected Japan's demand for information about a Japanese woman allegedly abducted by North Korean agents.

Delegation Members Hope To Meet Kim Chong-il

OW2603071695 Tokyo KYODO in English 0705 GMT 26 Mar 95

[FBIS Transcribed Text] Tokyo, March 26 KYODO—Politicians from Japan's three ruling coalition parties hope to meet with North Korean leader Kim Chong-il when visiting Pyongyang this week, coalition sources said Sunday [26 March].

The 10-member delegation, which will be headed by Former Foreign Minister Michio Watanabe from the Liberal Democratic Party (LDP) has also asked Pyongyang to schedule talks with Prime Minister Kang Song-san, they said.

The three-day trip starting Tuesday aims at sounding out ways to resume normalization talks between Tokyo and Pyongyang, which collapsed in their eighth round in November 1992 as Japan requested information about a Japanese woman who was allegedly abducted.

The green light for the North Korea mission came after weeks of wrangling among the coalition parties over a 1990 declaration among the Workers Party of (North) Korea, Japan's Social Democratic Party (SDP) and the LDP.

The 1990 declaration, which opened the way for talks on the establishment of diplomatic relations, called on Japan to pay compensation to North Korea for its 1910-1945 colonial rule over the Korean peninsula and postwar damages.

Since the LDP meanwhile has misgivings about the pledge for "postwar" damages, the tripartite coalition, which also groups New Party Sakigake, last week decided to shelve the 1990 declaration.

The three parties agreed to seek a new document with the North's supreme Workers Party along the line of acknowledging historical facts if the North brings up the issue.

The drive for improved relations with Pyongyang gained new impetus when North Korea and the United States signed a nuclear framework agreement last October, which put a freeze on the North's controversial nuclear program.

Watanabe Meets Party Leaders on DPRK Mission

OW2603235295 Tokyo ASAHI SHIMBUN in Japanese 25 Mar 95 Morning Edition p 2

[FBIS Translated Text] Former Vice Prime Minister and Foreign Minister Michio Watanabe was recently assigned as chairman of the ruling coalition's delegation to visit the DPRK (North Korea). The three ruling coalition parties are the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger]. On separate occasions on 24 March, Watanabe met with LDP Vice President Keizo Obuchi and such officials as Vice Foreign Minister Kunihiko Saito to exchange views on negotiations with the DPRK. Touching on the nuclear issue in these talks, Watanabe expressed his intention to win concessions from North Korea in accordance with the basic principle reached among Japan, the United States, and the Republic of Korea [ROK] on the establishment of the Korean Energy Development Organization [KEDO].

KEDO has stated that it will supply ROK-made light-water reactors to North Korea, but North Korea is opposed to this plan. In this connection, Watanabe intends to persuade North Korea to accept the plan of introducing ROK-made light-water reactors at his talks with influential North Korean leaders.

At talks with Obuchi, Chairman Watanabe asked for his cooperation and said: "I would like this visit to be an opportunity to achieve peace on the Korean peninsula, and also win the ROK's understanding." Taking Watanabe's request into consideration, the LDP will study ways to deal with the ROK, which has expressed its concern over the coalition delegation's visit to North Korea. For example, Vice President Obuchi, also vice chairman of the Parliamentarians' League for Promoting Friendly Relations Between Japan and the ROK, will be sent to the ROK following the coalition delegation's return.

Meanwhile, the delegation's leaders of the three ruling parties held a meeting at noon on 24 March. In the meeting, Secretary General Wataru Kubo of the SDPJ, which has attached importance to the "joint tripartite statement" adopted in 1990 among the LDP, the SDPJ, and the Worker's Party of Korea [WPK], said: "It is possible to win understanding of changes in the situation (for the three ruling party and the WPK as well). Under such circumstances, it is very possible to reach a new accord. If North Korea were to suggest that "something new should be worked out," we would not oppose this proposal." In this way, he reconfirmed the plan to work out a new accord during the upcoming visit, regarding the joint statement as "a historical fact."

Moreover, Secretary General Kubo met with Ho Chong-man, vice chairman of the General Association of Korean Residents in Japan [Chongnyon] on the afternoon of 24 March and asked him to arrange talks between the ruling party delegation and North Korean Premier Kang Song-san.

Ministry Reluctant To Send Rice Aid to DPRK

OW2703130095 Tokyo KYODO in English 0946 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Japan sees it difficult to offer rice to North Korea, even if Pyongyang made such a request, because of a lack of diplomatic ties between the two countries, a top Foreign Ministry official said Monday [27 March].

The remarks by Vice Foreign Minister Kunihiko Saito came a day before a joint mission by the three ruling coalition parties was to leave for Pyongyang in a bid to break a deadlock over bilateral relations.

Informed sources indicated earlier that Pyongyang may ask Japan to supply North Korea with rice to help alleviate a food shortage when the Japanese coalition mission visits the country.

Saito told a press conference that it is difficult for Japan to extend economic cooperation to a country with which it has no diplomatic ties.

He declined to comment, however, on how the mission should respond when Pyongyang makes such a request, saying it is up to the ruling parties.

North Korea earlier rejected an offer by South Korea to provide rice to it.

EPA To Analyze 'Good Effects' of Strong Yen

OW2403133895 Tokyo KYODO in English 1012 GMT 24 Mar 95

[FBIS Transcribed Text] Tokyo, March 24 KYODO—Chief Cabinet Secretary Kozo Igarashi on Friday [24 March] instructed the Economic Planning Agency (EPA) to map out a strategy for returning benefits of the soaring yen to Japanese consumers.

"Today I told the EPA to analyze the good effects of the high yen," the top government spokesman told a news conference.

Igarashi also said he instructed the EPA to speedily check if the yen's recent strength versus other major currencies has been reflected in the national economy.

Theoretically, a higher yen should allow consumers to buy imported goods more cheaply. But the nation's complex distribution system has kept prices from falling in accordance with the exchange rates.

The yen has recently been staging a solo advance vis-a-vis the U.S. dollar and other major currencies, threatening to put a damper on recovery of the Japanese economy.

Small Businesses Urge Action on High Yen

OW2403134595 Tokyo KYODO in English 0958 GMT 24 Mar 95

[FBIS Transcribed Text] Tokyo, March 24 KYODO—Three major organizations representing small- and medium-size companies urged the government Friday [24 March] to take all-out measures to combat the yen's surge in global currency markets.

Leaders of the Japan Chamber of Commerce and Industry, the Central Federation of Societies of Commerce and Industry, Japan, and the National Federation of Small Business Associations called on Prime Minister Tomiichi Murayama to promote government action to stabilize the currency market through joint intervention by the Group of Seven major economic powers.

They also sought stepped-up government fiscal measures to assist small- and medium-size companies, which they said have been badly affected by the yen's dramatic gain in global currency markets.

Takemura Announces Fiscal, Monetary Measures

OW2703105395 Tokyo KYODO in English 0911 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Finance Minister Masayoshi Takemura on Monday [27 March] unveiled the ministry's short-term fiscal and monetary policies to cope with the strong yen, calling for the formulation of the fiscal 1995 extra budget during the current Diet session and a cut in the Bank of Japan's (BOJ's) key rate.

Takemura convened an emergency press conference apparently in response to the eroding business confidence, especially among export-oriented companies, under the unabated surge in the yen's value against the dollar.

"The government will maximize its efforts to take appropriate and flexible fiscal and monetary policies, in order to ensure that Japan's economy, now under a recovery phase, will be smoothly put on a growth path," said the policy paper, read out by Takemura.

The ministry issued the paper amid a chorus of requests from various business sectors for the government to take stronger steps to arrest the yen's further rise, including a further reduction in the BOJ's official discount rate from 1.75 percent, already an all-time low.

'Gist' of MOF Paper

OW2703113895 Tokyo KYODO in English 1110 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—The following is the gist of a short-term fiscal and monetary policy announced Monday [27 March] by the Finance Ministry [MOF].

—Japan's economy is on a moderate recovery path, but the yen's rapid appreciation and drops in stock prices might have a negative effect on the economic outlook.

—The government will take effective actions in a timely manner in foreign exchange markets by contacting other nations' currency authorities individually.

—The government will promptly start the compilation of a supplementary budget for fiscal 1995, partly to counter the effects of the yen's rise with a view to submitting it to the current Diet session. The government will actively implement public works projects.

—Although the official discount rate is at a record low of 1.75 percent, the government will take agile and flexible measures on monetary policy, while closely watching economic situations at home and abroad.

Takemura Seeks Cut in BOJ's Key Lending Rate

OW2703111995 Tokyo KYODO in English 1046 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—In an unprecedented move, the Finance Ministry on Monday [27 March] indirectly asked the Bank of Japan (BOJ) to reduce its key lending rate as a way to prevent a further erosion in business confidence under the yen's unabated surge against the dollar.

Finance Minister Masayoshi Takemura said, "The ministry has already conveyed its monetary stance to the BOJ...Although the central bank is exclusively in charge of what to do with its key rate."

Takemura convened an emergency press conference to unveil a short-term fiscal and monetary policy, apparently in response to a chorus of requests from various business sectors for the government to take stronger measures to arrest further yen surges.

The policy paper said, "Japan's financial market has remained in a phase of easy credit as seen by the record low of 1.75 percent (per annum) in the official discount rate."

"The Finance Ministry will steer its monetary policy flexibly while closely monitoring economic trends both at home and abroad," the paper added.

The Finance Ministry's reference to the central bank's key rate in an official policy paper is rare, triggering the interpretation that the ministry virtually requested the BOJ's action on its credit policy.

"The finance ministry has constraints in specifying monetary stance because of the relationship with the central bank...It is meaningful that this time the ministry showed its currency, fiscal and monetary policy with such expression," Takemura said.

"The BOJ will make a decision," he added.

The policy paper said that the yen's recent rapid appreciation and drops in stock prices may adversely affect the outlook of the nation's economy which is on a moderate recovery path.

Given the circumstances, the government will do its best for fiscal and monetary management in an appropriate and agile manner to make economic recovery more certain, it said.

As short-term fiscal measures, the government will submit a supplementary budget for fiscal 1995 to finance reconstruction of areas hit by the Jan. 17 great Hanshin earthquake during the current Diet session scheduled to end in mid-June, the policy paper said. The government is also taking account of the effect of the yen's rise in implementing the measure, it added.

Takemura said it is the first time for the government to clearly show the timing for the submission of the extra budget.

"It is an expression of our stance to implement the budget," Takemura said.

Takemura said, however, he does not think there is a need to add public works projects in the extra budget as a way to prop up the economy.

Measures to assist smaller companies badly affected by the yen's sharp gain and to help promote employment are among issues to be studied for the extra budget, he said.

On currency policy, the paper said that the government will take effective actions in a timely manner in foreign exchange markets by keeping contact with currency authorities of major nations to counter recent exchange rate developments which do not correctly reflect economic fundamentals.

Takemura said although the wording is as usual, the government is determined to make further efforts.

The government will carry out public works projects already included in the second supplementary budget for fiscal 1994 and the initial fiscal 1995 budget in line with economic conditions, including a stronger yen, Takemura said.

During an upcoming meeting of financial officials from the Group of Seven major industrialized nations, the Finance Ministry intends to strengthen policy coordination with the United States and Germany by explaining the Japanese Government's efforts to expand domestic demand, ministry officials said.

Firms Warned Against ODA-Linked Bid-Rigging

OW2703090895 Tokyo KYODO in English 0749 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—The Fair Trade Commission (FTC) warned 37 companies Monday [27 March] to stop rigging bids for projects funded by Japan's Official Development Assistance (ODA) program, FTC officials said.

The warning was the first administrative action taken by the antitrust watchdog over ODA-funded projects.

Among the firms that allegedly rigged bids in violation of the Antimonopoly Law were trading giants Mitsubishi Corp., Marubeni Corp. and Itochu Corp., as well as department stores and smaller trading companies, the officials said.

FTC investigations showed that since 1987 the companies fixed contract winners in advance in bidding on government contracts, worth 5 billion to 6 billion yen a year, for the procurement of materials and equipment required for ODA-financed projects in developing countries.

The Japan International Cooperation Agency (JICA), the Foreign Ministry's foreign assistance arm, sponsors such bidding.

Last September the FTC searched the offices of the companies to seek evidence of the alleged bid-rigging.

In 1993, Japan provided 11.47 billion dollars worth of ODA to remain the world's top provider of ODA for the third consecutive year.

The Foreign Ministry later expressed regrets over the practice of bid-rigging and said it has ordered JICA to give tighter supervision on its biddings.

JICA will also make a decision in a few days to suspend companies involved from future biddings for a certain period, JICA officials said.

At the same time, JICA will open its competitive biddings to more projects, ministry officials said.

Under Foreign Ministry orders, JICA earlier this year introduced a competitive bidding system for all projects of 100 million yen or more to replace a designated bidding system.

A competitive bidding system will be introduced for all projects of 25 million yen or more early in fiscal 1995, which begins April 1, the officials said.

MOF Attacked for 'Lenient' Actions on Officials

OW2403234995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Mar 95 Morning Edition p 3

[FBIS Translated Text] On 13 March, the Ministry of Finance [MOF] meted out disciplinary actions against the Tokyo Customshouse director and another official accused of being associated with the then president of Tokyo Kyowa Credit Association, a bank that has since become insolvent as a result of poor management. Complaints calling the ministry's "actions too lenient" immediately poured out of the upper house Budget Committee session.

The situation is such that the matter is likely to have an impact even on the ministry's decision regarding the issue of restructuring government-subsidized banking institutions as well as the question of relief-financing for two financially troubled credit associations in Tokyo. The disciplinary actions are also likely to stir up a debate regarding the relationship between businessmen and bureaucrats.

Finance Minister Masayoshi Takemura announced that Yoshio Nakajima, deputy director of the ministry's Budget Bureau, and Hiroaki Taya, director of the Tokyo Customshouse—the two who received entertainment from Harunori Takahashi, then president of Tokyo Kyowa Credit Association—have been admonished and that Taya, who travelled to Hong Kong on Takahashi's personal jet, has been relieved from his Tokyo Customshouse directorship and transferred to the Office of the Secretariat.

On 9 March, Takahashi testified at the Diet on his friendly association with Taya. The finance minister and other senior ministry officials were initially wary of taking heavy disciplinary action, saying "the entertainment" had nothing to do with his official duties. Since Taya himself also insisted that he "paid 200,000 yen," the ministry officials apparently had trouble determining what part of his association with Takahashi should be made an issue.

At the end, they decided to reprimend and to transfer him. The action appears to have stemmed from concern that "if the matter is left to drag on, the plan to form the Tokyo Kyodo Bank as a way to rescue the two credit associations could be shaken up." There was also the wish to defend itself from the Liberal Democratic Party's [LDP] anticipated attack regarding the restructuring of the Export-Import Bank of Japan and other banks.

The MOF has insisted that the Tokyo Kyodo Bank's establishment is for "the purpose of maintaining trust in and order of" banking institutions, denying reports alleging politicians were involved in the decision to activate the bank. It was at such a time that Takahashi, in testimony as a witness before the Diet, revealed the story of Taya having made a trip to Hong Kong with him, and, subsequently, the Diet debate deviated from what it originally meant to do and came to focus more on the ethics problem of government officials and to bash the MOF.

One senior ministry official gritted his teeth, saying: "We got trapped in Takahashi's scheme." However, the ministry officials apparently also came to believe that if the disciplinary actions on the two officials were delayed and, mistrust in the ministry deepened, the future of the Kyodo Bank will be jeopardized.

There were reasons for the MOF-bashing. One distant cause goes back to the days of the old Hosokawa coalition government when MOF officials were found to have been involved in writing up scenarios for the then ruling parties to ram through the Diet a Public Welfare Tax in the middle of the night. At the time, the LDP charged that Administrative Vice Minister Saito and his men "were too deeply involved in politics." Taya is said to be very close to Vice Minister Saito. If his problem of associating with Takahashi is not dealt with, voices of criticism against the ministry were bound to rise further.

But with the disciplinary actions taken, voices complaining "the actions are lenient" are strong. The upper house Budget Committee is set to have former Bank of Japan Governor Mieno and others present their opinions of the two credit associations on 16 March. There is a possibility that this issue will bring about a new development. The Tokyo City Assembly has decided to put off making a decision on whether or not to extend a low-interest loan of 30 billion yen to the Kyodo Bank. This fact of ministry officials having received entertainment and having been disciplined can also have an impact on the assembly's discussions of the loan to the Kyodo Bank following the April gubernatorial election.

Besides, intra-ruling camp debate on restructuring government- subsidized banking institutions will come to a major turning point this week. The prevailing view within the ruling parties is that the Export-Import Bank of Japan's functions should be divided into two and they should be absorbed into the Development Bank of Japan and the Overseas Economic Cooperation Fund. The MOF fiercely opposes the idea, but it finds itself alone and friendless. Its famous forte of being able to work behind the scenes seems to have lost its magic as well.

Panel To Advise Government on NTT Operations

OW2703091995 Tokyo KYODO in English 0842 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—A government advisory panel will make recommendations within a year on the operations of the domestic telecommunications giant Nippon Telegraph and Telephone Corp. (NTT), officials said Monday [27 March].

Officials at the Ministry of Posts and Telecommunications said the ministry will convene a general meeting of its Telecommunications Council on April 6 to seek advice on the operations of NTT, a former government monopoly.

A focal issue is whether to divide NTT into smaller entities to promote fair competition with its rivals, although the ministry will not specifically ask for advice on an NTT split-up, the officials said.

The panel recommended in 1990 that NTT be divided into two companies, one for long-distance telecommunications services and the other for regional telecommunications services.

But the recommendation was shelved due to strong resistance from NTT and the Finance Ministry, with an agreement to review it in fiscal 1995.

Cellular phone service companies were later separated from NTT.

NTT effectively monopolizes regional telephone services, while DDI Corp. and other rivals compete with NTT in long-distance telephone services.

Coalition Approves Draft Bill To Ban Sarin

OW2703121095 Tokyo KYODO in English 1138 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—The three ruling parties approved Monday [27 March] a draft legislation submitted by the National Police Agency (NPA) to give life imprisonment as the maximum punishment if the lethal gas sarin is used to harm people or property, party officials said.

The NPA wrote the draft legislation after the extremely toxic gas was released on the Tokyo subway system last week by a group of unidentified people, killing 10 people and making more than 5,000 ill.

The agency explained the draft at a policy coordination meeting of the ruling coalition of the Liberal Democratic Party, the Social Democratic Party [Social Democratic Party of Japan] and New Party Sakigake [Harbinger].

The draft also provides that penal servitude of up to seven years will be given to those producing or possessing sarin "for the purpose of harming human lives, bodies and property."

The punishments in the NPA draft match those in a separate legislation on banning chemical weapons that is scheduled to be enacted Thursday, the officials said.

The legislation, needed to ratify the International Chemical Weapons Ban Treaty, says a maximum of life imprisonment will be given to those using chemical weapons, and imprisonment of up to seven years or fines of up to 3 million yen to those producing or possessing chemical weapons.

The draft bill on banning sarin and other poisonous materials is likely to be submitted to the Diet by the end of April, and to be enacted in early May if deliberations go smoothly, they said.

Aum Leader Blames U.S. Troops for Using Gas

OW2503002995 Tokyo KYODO in English 0004 GMT 25 Mar 95

[FBIS Transcribed Text] Tokyo, March 25 KYODO—Religious cult leader Shoko Asahara claims hundreds of his followers and himself have been sprayed with poisonous gas by U.S. troops.

Asahara made the claim in a video tape broadcast in 36 local chapters and training centers nationwide for believers of Aum Shinrikyo.

Tokyo police have continued massive searches on facilities of the religious cult since Wednesday [22 March], two days after Monday's nerve gas attack against the Tokyo subway system. They have seized a huge amount of chemicals the group's complex.

In the video, a copy of which KYODO NEWS SERVICE has obtained, Asahara said, "I am seriously sick. Some 50 percent of my 1,700 pupils are troubled with sickness. As we have been sprayed with poisonous gases such as sarin and mustard gas."

The guru of the secretive cult also said, "the gas was sprayed by U.S. troops unmistakably."

But he did not specify when, where and why the U.S. troops used poisonous gas against believers of the cult.

Asahara's video sermon was repeatedly broadcast at Aum Shinrikyo institutions Friday. Members of the religious sect said they made the video early Friday morning.

Earlier the same day, on the noon TV news program of Japan Broadcasting Corp. (NHK), Asahara denied that the group manufactured sarin, a highly toxic nerve gas. Sarin was used in Monday's lethal attack on Tokyo's subway system that killed 10 people and injured more than 5,000 others.

He added that the chemical substances that police have confiscated from the group's complex at the foot of Mt. Fuji during this week's raids "are not ones used for synthesizing sarin."

Raising the names of the confiscated chemical substances one by one, Asahara denied a possible link between the group and sarin, first developed by Nazi Germany and also used last June in the deaths of seven people in a mysterious poisonous gas attack in Matsumoto, Nagano Prefecture, central Japan.

Asahara also criticized the police probe into the Feb. 28 abduction of a 68-year-old notary public official in Tokyo's Meguro Ward, saying it is aimed at tainting the group.

Leaflets Forewarned 'Numerous Horrors'

OW2503122395 Tokyo YOMIURI SHIMBUN in Japanese 25 Mar 95 Morning Edition p 35

[FBIS Translated Text] As of 24 March, it has become known that the day before the Tokyo subway sarin incident, leaflets hinting at the outbreak of the incident were distributed in central Tokyo.

The leaflets were distributed to publicize a book written by "Aum Shinrikyo" leader Shoko Asahara and entitled "Disasters are Approaching the Country Where the Sun Rises" ["Hi Izuru Kuni, Wazawai Chikashi"]. On the afternoon of 19 March, a man in his 20's, believed to be a follower, distributed the leaflets in Ginza [noted shopping and entertainment district] in Tokyo. Some passages printed on the leaflet read: "The great Hanshin quake disaster is nothing but a prologue to numerous horrors and tragic incidents that will hit Japan," and "the end of a century with horrors stealing on at a large scale that defies imagination. What will hit Japan next?" One passage after another seemed to foretell the subway sarin incident that took place on the very next day. On the reverse side is printed a map of the Tokyo subway system.

Moreover, a note entitled "Ultimatium I" was mailed to followers in the Tokyo metropolitan area about ten days earlier. Printed in irregular lines are such warnings as: "Destiny will be decided long before something happens." Moreover, the note reads: "Germs are biological weapons," and "many lives will be lost."

'Mysterious Letter' Predicted Sarin Incident

OW2603060195 Tokyo YOMIURI SHIMBUN in Japanese 24 Mar 95 Morning Edition p 34

[FBIS Translated Text] Three months after deadly fumes drifted across a residential area in Matsumoto, Nagano Prefecture, killing seven people last June, a mysterious letter warning of a "Tokyo subway sarin poisoning incident" had been sent to several news agencies in Tokyo in September 1994. The letter hints at the use of organic solvents in the subway, which were actually found inside trains [on 20 March]. This was disclosed 23 March.

The police conducted a full-scale investigation into the connection between the religious cult Aum Shinrikyo and the two poisoning incidents. While mentioning the process in producing sarin and the way to transport this deadly nerve gas, the letter strongly denounces Aum Shinrikyo by citing a series of problems the sect is causing.

The 11-page letter is entitled: "A Study of the Matsumoto Sarin Case."

By quoting a U.S. military technology pamphlet, the letter describes at length how toxic "the lethal weapon sarin" is and its production. Then, it speculates that "the sarin used in the Matsumoto case was more likely to have been brought from somewhere rather than to have been produced on the spot." As for the reason, the letter notes organic solvents and dry ice are needed to transport sarin, which evaporates at normal temperatures. The letter goes on to say: "When organic solvents are sprayed, they produce white fumes with a foul odor," and stresses its theory checks with remarks made by some eyewitnesses of the Matsumoto case who said "they had seen white fumes."

In the Tokyo subway sarin poisoning case, the use of the organic solvent "acetonitrile" has been confirmed. This means the easy-to- make "time bomb" made using organic solvents—as warned about in the letter—has become reality.

"If sarin is used in the subway, the Tokyo Dome, or concerts at the Budokan [a large public hall in Tokyo], one can easily predict an unprecedented catastrophe." With this, the letter warns about the Tokyo subway sarin poisoning.

When the police made public the fact that sarin byproducts were found around the Aum Shinrikyo facilities in Kamikuishiki Village, Yamanashi Prefecture, in January 1995, another letter was sent to warn of a ?possible sarin attack on "the subway" or in other areas.

Police Step Up Search of Aum Shinrikyo Site

OW2703014395 Tokyo KYODO in English 0127 GMT 27 Mar 95

[FBIS Transcribed Text] Kamikuishiki, Japan, March 27 KYODO—Police stepped up their search Monday [27 March] of Aum Shinrikyo's compound in Kamikuishiki near Mt. Fuji, concentrating on one building suspected of being a sarin gas production facility and another suspected of being used to confine followers.

Tokyo Metropolitan Police Department sources said police will examine a building known as Satian No. 7 and search for sarin gas residue in the building's ventilator, fresh air inlet and adjoining air purifier.

The name satian derives from the sanskrit word for "truth."

Police also said they found a large amount of medical equipment, including syringes and intravenous drip equipment, on the second floor of a building called Satian No. 10.

They said the sect may have administered medicines to followers on a regular basis.

Police said they found beds in rows and food in the building, indicating the possibility members were housed there, but that there were also used syringes and intravenous drip equipment as well as used and unused containers of liquid glucose scattered about.

During their search of the facilities, which began Wednesday, police seized phenylacetonnitrile, a substance which can also be used as a basis for making stimulatants.

A number of believers have said medical substances were frequently administered to induce a meditative state during religious training.

Police said they have also found several large containers normally used for refrigeration near Satian No. 10, divided into small windowless partitions, each about one tatami mat in size, with small openings suitable for handing in food and removing waste.

The partitions have no lighting.

Police suspect the containers were used as cells for confining believers who may have tried to flee.

Police sources said Sunday police are searching for evidence of the alleged plotting of murder.

Some 1,000 riot police raided the complex in Kamikuishiki in Yamanashi Prefecture Sunday amid fresh allegations that the cult plotted to murder people with lethal gas.

Police have already found chemical substances allegedly linking the group with last week's sarin nerve gas attack on the Tokyo subway system.

Police sources said since the chemicals found during a previous raid in connection with an alleged kidnapping can be used to produce the highly toxic sarin, charges of planning to commit murder are applicable in the case.

They said suspicions that the group actually produced the nerve gas, which was developed by Nazi Germany during the 1930s, have grown because facilities around the warehouse appear to be chemical laboratories.

Aum Shinrikyo is suspected of having prepared to commit murder and of carrying out kidnappings, they said.

Find Experimental Devices

OW2703063595 Tokyo KYODO in English 0536 GMT 27 Mar 95

[FBIS Transcribed Text] Kamikuishiki, Japan, March 27 KYODO—Police have confiscated new experimental devices from Aum Shinrikyo's facilities at the village of Kamikuishiki, west of Tokyo, investigation sources said Monday [27 March], fueling speculation they might have been used to produce sarin gas.

The haul includes an infrared spectrophotometer used for chemical analyses and a gas chromatography equipment used to separate chemical compounds, the sources said.

They said police focussed Monday's search on a building suspected of being a sarin gas production facility and another suspected of being used to confine followers.

Investigators examined a building known as Satian No. 7 and searched for sarin gas residue in the building's ventilator, fresh air inlet and adjoining air purifier, the sources said.

Police also investigated Satian No. 6 and a basement nearby, where cult followers may have been confined.

The name satian derives from the Sanskrit word for "truth."

The sources said police also found a large amount of medical equipment, including syringes and intravenous drip equipment, on the second floor of a building called Satian No. 10.

They said police believe the sect may have administered medicines to followers on a regular basis.

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Aum Shinrikyo is suspected of having prepared to commit murder and of carrying out kidnappings, they said.

More on Chemical Facility

OW2603101595 Tokyo KYODO in English 0950 GMT 26 Mar 95

[FBIS Transcribed Text] Tokyo, March 26 KYODO—Religious group Aum Shinrikyo's suspected "poison gas plant" is a three-story building with a sacred chapel containing a 5-meter-high image of the Hindu god Siva and "bones of Buddha," accessible only to a limited number of followers.

The "holy building" at the sect's compound in Kamikuishiki Village at the foot of Mt. Fuji was subject to a police raid Sunday [26 March] because of growing suspicion it may have also been a facility where the lethal nerve gas sarin was produced.

A by-product of sarin was discovered near the facility in July last year after nearby residents complained to police about odd smells in the area, and a former follower of the sect said a group of "chemists" were working in the building.

In February, KYODO NEWS SERVICE was given permission to enter the facility, which is at the center of the police probe into any links Aum Shinrikyo may have had with the deadly sarin gas attack on Tokyo subways last Monday.

As one opens the steel door into the building, the first thing one notices is the strong scent of burning incense.

With purple smoke from the incense and poor lightening in the building, one can barely see one's own feet.

The visitor is told by a young female follower to undress "mundane clothes" and change into a blue gown.

The facility, a three-story building built on an area of 660 square meters, contains the sacred bones of Buddha that 40-year-old sect leader Shoko Asahara brought back from Sri Lanka, according to the sect.

Walking through a corridor between white walls, one finds oneself on a mezzanine, where a golden image of Buddha about a meter high is placed in a "cave" in the concrete wall that looks like a rock surface.

Deeper into the building, there is a hall where a 5-meter-high image of the face of Siva, a Hindu god of destruction and creation and also the principal deity for the sect.

To the left of the Siva image is an alter about 3 meters high and 6 to 7 meters wide, on which many photographs of Asahara are placed.

The stairway near the building's entrance leads to the second floor which has rooms for meditation and keeping "treasures."

A narrow corridor between blue walls leads to an apparent meditation room which contains a model that shows the "creation of the universe."

The floor is like a labyrinth with snaking corridors of only a meter wide.

The guide from the sect did not say much about the third floor, only that it is a storage space, and refused to give permission to go there.

A brief glimpse from under the stairway to the third floor revealed a number of cardboard boxes there.

There were also empty boxes behind the building, and they had the word "sulfuric" written on them.

Regarding a machine about 2 to 3 meters with plastic pipes sticking out, the follower said it was an air purifier to guard against the threat of a poison gas attack against the sect.

One former follower told KYODO NEWS SERVICE that the group has a special chemical task force, comprising people who graduated from university in the sciences, working in the sacred building.

Kaiko Reaches Bottom of Ocean Trench

OW2403053195 Tokyo KYODO in English 0503 GMT 24 Mar 95

[FBIS Transcribed Text] Guam, United States, March 24 KYODO—An unmanned Japanese deep-sea probe, the Kaiko, concluded its final submergence test Friday [24 March], reaching the seabed in the world's deepest waters, in the Mariana Trench in the western Pacific.

The Kaiko's auxiliary unit successfully touched down on the 10,911-meter-deep seabed of the trench, called the Challenger Deep, at 11:22 A.M. Controllers observed several small fish at the site.

The probe narrowly failed to renew the depth record of 10,912 meters set at a different location of the trench in 1960 by the manned U.S. Navy submarine "Trieste I."

Recent ultrasound measurements by the Maritime Safety Agency suggest, however, that the maximum depth in the Challenger Deep is only 10,911 meters, which could make the Kaiko's mission a world record.

Agency officials said the 1-meter difference might be due to the margin of error of technical equipment at the time.

In its first attempt to reach the Challenger Deep on March 1 last year, the Kaiko came within 2 meters of the ocean floor, but the submergence test had to be terminated after the cable that connects the probe and its launcher broke.

Having proven its deep-sea capabilities, the Kaiko, the only deep-sea probe currently operating, opens the way for further exploration of ocean floors, which are expected to greatly contribute to geological and biological research.

The Kaiko uses special cameras to send color pictures from the cold and dark ocean depths, providing new clues about Earth's seabed topography, notably tectonic faults and plates.

Samples collected during such exploration can help improve knowledge of the flora and fauna of ocean depths, most of which remain unstudied.

Previous deep-sea probes by France, the United States and Japan have reached depths of up to 6,500 meters.

The Kaiko was developed for the Marine Science and Technology Center, an affiliate of the Science and Technology Agency, at an overall cost of 5.4 billion yen.

The two-unit probe initially submerges to a depth some 100 meters above the targeted area of seabed, then an auxiliary vehicle separates from the launcher and proceeds to the ocean floor, using screw propulsion.

On Friday, the 3.1-meter Kaiko, which was carried to the dive site off Guam aboard its mother ship, the 4,439-ton Yokosuka, was launched at 7:54 A.M. The venture began four days later than originally scheduled due to an oil leak.

The auxiliary vehicle was released about three hours later, for the final 100-meter dive to the seabed, where it planted a plastic plate inscribed with the name "Kaiko" and the date of the mission.

Some 20 minutes later, the probe sent pictures from the ocean depths to controllers aboard the Yokosuka, as it maneuvered around its launcher.

North Korea

U.S.-DPRK Nuclear Accord Talks Open in Berlin

SK2503104995 Pyongyang KCNA in English 1039 GMT 25 Mar 95

["U.S. Must Take Sincere Attitude at Discussions in Berlin"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The DPRK and the United States have begun the third round of discussions on the provision of light water reactors (LWR) in Berlin today.

The United States schemes to specify "South Korean standard model" in an agreement with the DPRK, claiming that there is no other alternative. This is definitely putting a damper on the prospect of the discussions.

This cannot be construed otherwise than an ill-intentioned attempt to lay artificial obstacles and bring the discussions on the LWRs to a rupture.

The current round of discussions is an important occasion in distinguishing whether or not the U.S. is willing to implement the framework agreement with the DPRK.

It is not difficult to foresee that in case the unreasonable demand of the U.S. brings the discussions to a rupture, the situation will develop into an irrevocably dangerous phase.

Our position toward the discussions on the LWRs is clear and reasonable. We will never accept South Korean-model reactors for political reasons and in view of technical safety.

There are several countries like the United States, Russia and Germany that are capable of building perfect light water reactors and have experience in exporting them. Then, why should we receive the South Korean model, which is the embodiment of a sinister political purpose, which gives no guarantee for technical safety and which does not exist yet?

Our reasonable position is easily understandable to anyone. It will make no-trouble at the current discussions.

Moreover, we have fully showed our magnanimity by proposing various flexible ways in order to terminate the hot controversy over the reactor model.

Our flexible approach is an expression of a sincere desire for fruitful negotiations on the LWRs.

If the United States is willing to solve the issue, it must answer our magnanimity with magnanimity.

Magnanimity of both sides based on mutual confidence is the key to the solution of the issue.

The United States, however, is driving the situation to the danger line, insisting on the South Korean model, motivated by a sinister political purpose.

The unreasonable and inflexible attitude of the U.S. is a main factor which may bring the current discussions to a standstill.

The United States cites the financial problem as the reason that the South Korean model has to be adopted. But, it does not make any sense.

The United States insists on the South Korean model, motivated by a sinister political purpose.

If it is merely a technical issue, why is the United States talking about "sanctions" now at the first stage of the implementation of the agreement and why are the South Korean puppets calling for the wornout "international cooperation system"?

Facts make us suspect that the United States has had no willingness to implement the agreement, or that it is overtly breaking the agreement, abetted by South Korea.

What adds to our suspicion is that the U.S. insistence on the South Korean model coincides with its extensive reinforcement of aggression forces in South Korea for military pressure on the DPRK.

The U.S. is reinforcing its Armed Forces and stepping up preparations for attack on the DPRK while offering the South Korean model. This fully reveals its attempt to stifle the DPRK at any cost.

If the U.S. persists in this adventurous line, we will resolutely go our own way. If the U.S. takes unreasonable "sanctions" against us, we will take a strong self-defensive measure.

The U.S. will be wholly to blame for all the consequences.

The fate of the DPRK-U.S. agreement entirely depends on the attitude of the United States. The case is the same with the current discussions.

The United States had better take a sincere attitude at the current discussions for its own interests.

AFP Reports Talks Opening

AU2503173695 Paris AFP in English 1701 GMT 25 Mar 95

[By Michael Anders]

[FBIS Transcribed Text] Berlin, March 25 (AFP)—Crucial and highly-sensitive negotiations for the supply of new nuclear reactors to North Korea to curb a suspected atomic weapons capability got under way in Berlin Saturday [25 March] between the isolated, communist regime and the United States.

The scheduled five days of talks opened in the US diplomatic mission Saturday morning immediately after the arrival of the North Korean delegation, and a first session of some two hours was held before lunch. The North Korean delegation then left the building, returning three hours later.

At no point did the North Korean delegation, led by Kim Chong-u, make any comment to reporters. The US side, which is being led by Gary Samore, also declined to make any statement on the talks, tasked with resolving a dispute over the reactor supply contract that is dominating volatile Korean peninsula politics.

South Korea, Japan and the United States lead a consortium, established in Washington earlier this month, to supply two 1000- megawatt reactors of the light water (LWR) type to replace North Korea's graphite installations, which produce far greater quantities of weapons-grade plutonium. Present problems hinge on South Korea's role in this.

In the face of sustained US pressure the government in Pyongyang—suspected of developing a nuclear bomb capacity at installations at Yongbyon—last year halted its nuclear programme, agreeing in exchange to a formula for replacement of the reactors with the safer LWR type.

Under a Geneva framework agreement signed in October, the consortium is to supply replacement LWR equipment and provide alternative fuel for the interim, at an estimated cost of over four billion dollars.

But North Korea has steadfastly refused to accept South Korea as the official main source of the reactors despite Seoul's insistence, raising fears that the Geneva accord could collapse, with a resultant renewal of international tensions over the issue.

North Korea last weekend threatened to start up the Yongbyon plant again rather than have South Korea named as the main contractor of the project, although South Korea is expected to meet nearly three-quarters of the total project cost.

Under the Geneva accord, a contract for the supply of the reactors is supposed to be signed by April 21.

These are the third round of talks between North Korea and the United States in the German capital on the technical details of replacing the reactors since the Geneva framework agreement was reached in August, and negotiations remain essentially between their two governments.

But Washington, Seoul and Tokyo hope this round will be the last of its kind, and that thereafter the Korean Peninsula Energy Development Organization (KEDO) will deal with North Korea on practical details of the project.

As politically and materially-interested partners, South Korea and Japan are already being kept closely abreast of the Berlin negotiations. In the hour before they opened Saturday, South Korean, Japanese and US officials met in the US mission to agree their stand, a South Korean official told reporters.

First, however, they have to find an agreed formula for the wording of the roles played by the various parties in supplying and building the reactors.

The North has accepted the principle of South Korean industries being involved in the actual work once the terms of the supply contract are agreed.

But for the isolated Stalinist regime, the issue is one of face, among other things. Analysts say it does not want to acknowledge that capitalist South Korea has developed such a technological capacity or to have such an important official role for the South forced upon it.

They also say the Pyongyang regime fears a reunification of the Korean peninsula which would undermine its existence.

But in footing such a large part of the bill for the project, South Korea logically expects to be accorded the major role. And precisely with eventual reunification of the Korean peninsula in mind, it wants a system in the North compatible with its own.

Kim Yong-sam's Warning to DPRK on Accord Assailed

SK2503042395 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 24 Mar 95

[Commentary by Kim Ho-sam: "Violent War Remark Reversing Black and White"]

[FBIS Translated Text] Puppet Kim Yong-sam's maneuvers to provoke a war of northward invasion are reaching a very grave stage with each passing day.

One of such examples is the remark made by the rascal at the so-called 51st graduation ceremony of the military academy on 22 March. Puppet Kim Yong-sam babbled on this day that North Korea will not be able to avoid punitive actions by the international community if it does not faithfully live up to the nuclear agreement and chooses to run counter to the currents of the times. He even prattled that he warns us.

Saying that they are keeping track of our every movement, the rascal called for a tight security posture so as to promptly react to any exigency.

Puppet Kim Yong-sam's such provocative outbursts severely distort the stark reality on the Korean peninsula and are a brazen-faced prattle reversing black and white.

Overstating as if we are not sincerely implementing the nuclear agreement is nothing but a sophism. Article 3 of the DPRK-U.S. agreed framework points out that both the DPRK and the United States will work together for peace and security on a nuclear-free Korean peninsula. Accordingly, our Republic has frozen graphite-moderated reactors and related facilities for a long time and has faithfully implemented items that ought to be implemented pursuant to the agreement.

Thanks to our sincere efforts, all the pending issues between the DPRK and the United States are being resolved in the way the two peoples of the two countries hope and in the way that is favorable to the interests for the world's cause for peace cause according to a timetable. The world even recognizes this.

What is left to be done is the issue over light-water reactors. This can be sincerely discussed and solved by the DPRK and the United States in accordance with the spirit of the DPRK-U.S. agreed framework.

However, what right does puppet Kim Yong-sam—who is not even the party concerned to the resolution of the nuclear issue on the Korean peninsula and who has looked aside and could not take up the discussion on the issue—have to prattle about the nuclear agreement? Puppet Kim Yong-sam's outbursts on so-called punitive actions against and warnings on us are a grave provocation.

Puppet Kim Yong-sam is a peerless war maniac who systematically maneuvered to provoke a war of northward invasion with the backing of outside forces. Even though approximately thousand of nuclear weapons are equipped inside South Korea, puppet Kim Yong-sam is not satisfied with this and continues to bring in war equipment. Modern operation equipment and massive lethal weapons, such as Apache attack helicopters and Patriot missiles, already exist in South Korea. Nonetheless, the Kim Yong-sam puppet clique has recently brought in several fighter bombers to South Korea under the plan to introduce some 120 F-16 fighter bombers that can load nuclear weapons.

Another example is that, according to the U.S. Defense Department, the South Korean puppets will additionally bring in total of 168 missiles, including 136 (AGM-88B Ham) missiles and 32 Harpoon missiles, from the United States. Not only does it bring in numerous war equipment but also stages various kinds of war exercises, such as Hwarang, Eagle, and Ulchi Focus Lens, all year round.

From 3 April, the puppets is planning to stage a large-scale joint war exercise involving the puppet army, navy, and air force in Hwachon, Kangwon Province, areas adjacent to our side's Military Demarcation Line for six days. With such a war exercise of northward invasion on hand, puppet Kim Yong-sam made a provocative outburst against us before the graduates of the military academy. This is a very ill-boding movement. However, this only foresees the puppets' destruction.

Heaping abuses on us by babbling this and that about the nuclear agreement stems from their anxiety as the situation is developing in the way that is unfavorable to them in the wake of the implementation of the DPRK-U.S. agreed framework. This is nothing but a scream squeezed out of their isolated and rejected stance that has been resulted from the total breakdown of foreign and domestic policies.

No matter what desperate efforts the puppets may make and try to get out of trouble, puppet Kim Yong-sam will never be able to reverse the trend of the times. Puppet Kim Yong-sam should clearly realize that war and confrontation lead to destruction. Puppet Kim Yong-sam attempts to find its way out through an adventurous war, however, this will never work.

Firmly rallying around Comrade Kim Chong-il, the respected and beloved supreme commander, our people and People's Army are closely watching every movement of their enemy. If the Kim Yong-sam group fails to squarely see the might of our single-hearted unity and recklessly jumps on us, the rascals will not be able to survive from the flames that they have kindled.

Daily on Kim Yong-sam's 'Warning' to North

SK2503043595 Pyongyang KCNA in English 0428 GMT 25 Mar 95

["Traitor Kim Yong-sam Should Not Act Rashly"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The traitor Kim Yong-sam before the graduates of the "military academy" on March 22 made such provocative utterances as "punishment" and "warning", absurdly taking issue with the North.

Commenting on his blast, a MINJU CHOSON analyst today says:

The traitor Kim Yong-sam has hitherto stepped up war preparations against the North with the backing of the outside forces.

The "new operational plan 5027" the keynote of which is to deal a "preemptive heavy blow" at the North and "break through", "occupy" and "conquer" it stage by stage was announced and war exercises against the North under the names of "Team Spirit," "Hwarang," "Foul Eagle," and "Ulchi Focus Lens" were staged one after another. The puppet betrayed his heinous intention to unleash a war against the North when occasion comes by encouraging the graduates of the "military academy" to a war, while pressing on with war preparations.

However, the war provocations against the North will only precipitate the destruction of the puppet.

Our people and People's Army rallied close around Comrade Kim Chong-il, a peerless general, will smash any provocation of the puppets at one stroke. The traitor Kim Yong-sam must be clearly mindful of this and stop acting rashly with outcries about "punishment" and "warning" which remind us of a newborn puppy knowing no fear of a tiger.

ROK-U.S. 22-23 Mar Military Exercises Criticized

SK2503045495 Pyongyang KCNA in English 0416 GMT 25 Mar 95

["Grave Act Leading Situation To Brink of War"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The South Korean puppets brought a large number of armed bandits, 90 mm recoilless guns and large-calibre machine guns at different places in the Demilitarized Zone of the central, eastern and western sectors of the front on March 23 and made the bandits level guns at posts of the civil police of our side for long hours, inciting a terror-ridden war atmosphere.

On March 22 and 23, the U.S. imperialist warmaniacs and the South Korean puppets staged a joint air war exercise against the North in the skies above Tokjok Islet, Asan Bay and Sangdong area of South Korea.

Involved in the war exercise were more than 30 overseas-based fighter planes of the U.S. Marines and over 710 fighter planes of different types belonging to the U.S. Air Force present in South Korea and the puppet air force.

More than 180 carrier-borne assault planes committed military manoeuvres under various names in the sky above Paeka Islet in the West Sea [Yellow Sea] and the sea off Kunsan on March 20 and 21.

On the 23rd, 105 mm and 155 mm artillery groups and an infantry unit of the puppet army deployed in firing positions in Chorwon County, South Korean Kangwon Province, and Yonchon County, Kyonggi Province, the forefront areas, fired more than 200 shells and over 850 large-calibre machinegun and automatic rifle bullets toward the Military Demarcation Line.

This is part of deliberate and premeditated moves of the U.S. imperialists and of the Kim Yong-sam fascist clique to lead the North-South confrontation to a dangerous phase.

The U.S. imperialists and the South Korean puppets must clearly see the grave consequences to be entailed by the ever-worsening tensions, stop running imprudently, withdraw the heavy weapons and armed bandits which were illegally brought into the demilitarized zone and discontinue the military manoeuvres against the North at once.

Dialogue Denounces 'War Exercise' in South

SK2703121795 Pyongyang Korean Central Broadcasting Network in Korean 0652 GMT 24 Mar 95

[Dialogue between reporters Chong Song-kang and Yi In-chon: "Puppets' War Exercise Maneuvers Aimed at Insidious Purpose"]

[FBIS Translated Text] [Chong Song-kang] How are you?

[Yi In-chon] How are you?

[Chong] As you know, the Kim Yong-sam ring recently announced that in April it will stage a large joint military exercise of the puppet Army, Navy, and Air Force in Hwachon, Kangwon Province. I would like to discuss this with you.

[Yi] As has already been reported, the South Korean puppets announced on 7 March that a large joint military exercise will be staged in Hwachon, Kangwon Province on 3-8 April. This military exercise will be reportedly mobilized with one corps from the puppet Army, one fleet command from the puppet Navy, and one flight wing from the puppet Air Force. Such a plan by the South Korean puppets to stage a large war exercise for a northward invasion is a calculated scheme designed to further aggravate tensions on the Korean peninsula and throw a wet blanket on the implementation of the DPRK-U.S. agreed framework. It is also aimed at checking us by force.

[Chong] As mentioned just a moment ago, the grave nature of the maneuvers of the war exercise the puppet Kim Yong-sam ring is going to stage in April is that the exercise will create an irreparable great obstacle to the implementation of the DPRK-U.S. agreed framework. The implementation of the DPRK-U.S. agreed framework and war exercise commotions are not compatible. The phase of war and confrontation created due to the South Korean puppets' reckless war exercise commotions cannot but be a grave obstacle to implementing the DPRK-U.S. agreed framework.

As the world knows, the Kim Yong-sam ring has not welcomed the DPRK-U.S. agreed framework, and has both directly and indirectly obstructed its implementation. In particular, proceeding from its insidious political aim, the Kim Yong-sam ring is creating an artificial obstacle to the implementation of the agreed framework by presenting its unjust demands. This fact has already been revealed to the world.

[Yi] That is right. The war exercise maneuvers the puppet and traitor Kim Yong-sam is going to stage in April are also aimed at implementing his unjust demands by force. This can be well proven by the fact that during a meeting on 6 March, puppet National Defense Minister Yi Yang-ho babbled about force and the like, and by the fact that various military provocations against us have been more openly perpetrated in the DMZ.

In March, the South Korean puppets introduced 90mm recoilless rifles and 12.7mm large-caliber machine guns into the DMZ, deploying them there. They then aimed these weapons at our civil policemen in a bid to threaten them. They not only suddenly mobilized armed bandits of the puppet Army and deployed them in combat positions, but also aimed these introduced heavy weapons at our soldiers. Thus, they perpetrated very dangerous provocations, revealing their insanity for war without hesitation.

[Chong] On the other hand, the South Korean puppets are also frantically staging an aerial exercise to win so-called air superiority, and an exercise of waging a preemptive surprise attack on strategic targets deep in the area of the northern half of the Republic by mobilizing fighters from the U.S. Air Force and puppet Air Force. It was reported that the number of various types of military aircraft—including fighter-bombers, surprise attack planes, pursuit attack planes, observation planes, command planes, and aerial refueling planes, which were mobilized in the aerial war exercise for a northward invasion staged in the skies over South Korea for two days—totaled some 1,300. Through this fact alone, we can easily realize how frantically the South Korean puppets are running wild in order to ignite a war against us.

[Yi] That is right. Under such an atmosphere, the South Korean puppets have announced they will stage a large joint military exercise in Hwachon, Kangwon Province on 3-8 April. This vividly reveals the rascals' heinous intent to do something against us by force. However, we can say the Kim Yong-sam puppet clique is making a major miscalculation. Force cannot work on us. Furthermore, it is indeed preposterous that the South Korean puppets, who are indiscreetly running wild like "fools rush in where angels fear to tread," are talking about force.

[Chong] That is true. Facts tell us that the Kim Yong-sam ring are war lunatics who do not want peace on the Korean peninsula and the country's peaceful reunification, who are not interested in North-South dialogue, who seek only North-South confrontation by blocking the implementation of the DPRK-U.S. agreed framework, and who frantically run wild to provoke a new war against the northern half of the Republic.

[Yi] Yes, that is right. As long as we leave such war lunatics, the nation cannot escape a war disaster. For the nation to be at peace, it is imperative to eliminate the Kim Yong-sam puppet clique without fail. We have the strong might of singlehearted unity and matchless revolutionary armed forces.

[Chong] Yes, we do.

[Yi] The South Korean bellicose elements should be clearly aware of our faith and will, and should not recklessly run wild. Our people and officers and men of the heroic People's Army sternly warn that they are keenly watching the Kim Yong-sam puppets' reckless military provocations. If the Kim Yong-sam puppet clique continues to cling to the reckless war provocation maneuvers despite our repeated warnings, it will not be able to escape ruin. The Kim Yong-sam puppet clique should clearly know this and act discreetly.

Daily Criticizes Kim Yong-sam's Remarks

SK2503044295 Pyongyang KCNA in English 0432 GMT 25 Mar 95

["NODONG SINMUN on Kim Yong-sam's Vicious Scheme "—KCNA headline]

[FBIS Transcribed Text] Pyongyang, march 25 (KCNA)—The traitor Kim Yong-sam at a "breakfast prayer" a few days ago claimed that the realisation of a "dream of globalisation" needs the "remoulding of consciousness" and "revolution in spirit". NODONG SINMUN in a signed commentary today says that the "remoulding of consciousness" and "revolution in spirit" advertised by the traitor Kim Yong-sam are meant to clear the people of the spirit of national independence and implant their minds with the idea of submitting to the aggressive foreign forces so as to make the people ideological slaves to outside force.

Lurking behind the Kim Yong-sam group's advocacy of the "remoulding of consciousness" is a criminal scheme to lull the complaints of the people against it and enervate the spirit of resistance and achieve "security of power", the commentary says, and goes on:

Indeed, wicked and grave is the scheming of the traitor Kim Yong-sam to put down the spirit of national independence and fighting spirit of the people at the point of the bayonet, frenziedly force the "globalisation" against independence and the nation and win the favor of foreign forces in a bid to maintain the power.

The criminals must be punished and the root cause of misfortune uprooted.

The South Korean people will decidedly punish the Kim Yong-sam traitor clique that is trying to obliterate their spirit of independence with such fiction as "globalisation".

Groups Issue Statements Denouncing Kim Yong-sam

SK2703053295 Pyongyang KCNA in English 0510 GMT 27 Mar 95

["Shameless Anti-Ethical Attitude of Kim Yong-sam Group Denounced Bitterly"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—Chong Tu-hwan, presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, and Paek In-chun, chairman of the North side headquarters of the National Alliance for the Country's Reunification, issued statements to the press on March 26, denouncing the Kim Yong-sam group for scheming to justify again its inhumane act toward the misfortune of the fellow countrymen in the North.

The Kim Yong-sam group has lacerated the hearts of the nation again by justifying its anti-national crimes committed during the mourning period, they said, and went on:

The Kim Yong-sam group also revealed its real intention to lead the North-South relations to a more grave phase of confrontation with no willing for reconciliation and unity between the fellow countrymen by threatening the person who pointed out its wrongdoings, in a bid to justify its crimes with an absurd sophism.

The Kim Yong-sam group must clearly understand that its crimes of denying dialogue with challenge and leading the North-South relations to a worst phase have become indelible.

They expressed the belief that under the banner of the 10-point programme of the great unity of the whole nation for the reunification of the country, the entire fellow countrymen in the North and the South and abroad will unite as one and actively turn out in the struggle to remove the traitor Kim Yong-sam, a snag of national reconciliation and unity and an enemy of reunification, from our nation.

'False Drama' of Assassination Attempt Decried

SK2703102995 Pyongyang KCNA in English 1017 GMT 27 Mar 95

["Third-Rate Drama"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The Kim Yong-sam group are trying hard to convince people that their false drama of "attempted assassination" is true.

They manipulated Pak Hong, reptile president of Sogang University, and Han Pyong-hun, who pretends to have attempted to assassinate Pak, to show up at a press conference on March 23. Han Pyong-hun alleged that he received the assassination order from an operative of the North at Copenhagen Airport and that the operative promised him to give money if he succeeds.

The press conference came with public opinion demanding evidence. This was, however, a very clumsy burlesque.

Han Pyong-hun told the press conference that he surrendered himself to the "Agency for National Security Planning" [ANSP] in September last year. But, the puppets opened to the public this fact six months later, on March 23 this year.

The Kim Yong-sam group use even a wornout false case in their anti-DPRK smear campaign. This time, however, they published the "attempted assassination case" months after they allegedly knew it. This proves that the drama is of their own making.

The puppets allege that Han Pyong-hun received the assassination order from an operative of the North at Copenhagen Airport in July last year. But, who will give such an order at the airport, not a quiet place, and who will be willing to receive an order from the "operative" at such a place?

The puppets let Pak Hong, the plaintiff, and Han Pyong-hun, the defendant, be present at the press conference, as if it were a court of justice. This brings into bolder relief the falsity of the case.

This reminds one of the saying that curses, like chickens, come home to roost.

Pak Hong is an agent of the "ANSP" and lives on pocket money given by it. Nobody will attempt the life of such worthless being. He is so dirty that even such murderers as Kim Song-bok, who killed his father for money in South Korea, will not attempt his life.

The Kim Yong-sam group resort to such wornout anti-DPRK smear campaign more than ever before, in a bid to survive their crisis after the total failure of the "reform" farce and find a way out of the blind alley, into which they are driven after totally blocking North-South dialogue and lacerating the hearts of fellow countrymen in grief at the loss of the father of the nation.

The Kim Yong-sam group will go to their doom after paying dearly for the false cases concocted by themselves, to deteriorate North-South relations.

Clash Between ROK Street Vendors, Police Noted

SK2703052695 Pyongyang KCNA in English 0458 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—About 1,500 South Korean stall keepers affiliated with the "National Federation of Stall Keepers", evacuees and students on March 25 held a ceremony of the last farewell to stall keeper Choe Chong-hwan, who burned himself to death, at Yonsei University before staging a demonstration.

Choe Chong-hwan attempted to kill himself by soaking his body with paint thinner and setting himself on fire on March 8 in protest against the evacuation forced by stall-control gangs in Seoul. He had a serious burn and died in hospital on March 21.

The demonstrators at the ceremony strongly demanded the legislation on protection of the life of the poor people.

They, who were to pay a protest visit to the puppet Seoul city office and make a street march up to Chongwadae [presidential offices] after the ceremony, had a fierce fight, pelting bottle bombs at policemen who blocked their way, firing tear gas.

In another development, some 30 participants in the ceremony staged a sit-in after blocking a bridge across the River Han with ten vehicles and more than 100 disabled stall keepers had a sit-in face to face with the police who stopped them from moving the dead body of Choe Chong-hwan to Yonsei University.

And some 1,000 members of six organizations including the National Federation for Democracy and Reunification and the Seoul District Federation of General Student Councils on March 24 held a fierce demonstration protesting the puppet clique's control of stall keepers and the forced withdrawal of dwelling houses in redevelopment area.

Meanwhile, about 1,200 students and members of a citizens' organization in Inchon held a meeting of citizens on March 25, demanding the authorities to cancel the projected construction of a nuclear waste dump on Kurop Islet.

In a statement they strongly urged the "government" authorities to abandon the planned construction of a nuclear waste dump in the sea off Inchon, reserve the plan to set up a nuclear research centre on Tokjok Islet, the mother of Kurop Islet, release the inhabitants of Tokjok Islet who were arrested while fighting against the building of the nuclear waste dump and withdraw the "want" list.

ROK Criticized for 'Suppressing' Students

SK2703051895 Pyongyang KCNA in English 0449 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The South Korean fascist clique on March 25 arrested Choe Song-ki, a policy-making member of the Committee of National Reunification under the South Korean Federation of General Student Councils (Hanchongnyon), on the charge of violation of the "National Security Law", a Seoul-based radio report said. Arguing that he has made literature-materials of a pro-reunification rally and other meetings of Hanchongryon, the puppet clique is intending to inflict a fascist penalty upon him.

The righteous activities done for the reunification of the country divided by outside forces are deserved to be praised by the nation. They can never be a target of repression.

Nevertheless, the Kim Yong-sam group is suppressing the students in movement for reunification by invoking the fascist law. This indicates that they are, indeed, a group of traitors who hate national reunification.

No matter how desperately the South Korean fascist clique may make efforts, they can not dampen, on any account, the will of the South Korean people to reunify the country in the 90s.

The fascist clique must stop suppressing Hanchongnyon at once and set free all the arrested patriotic students unconditionally and immediately.

CPRF Cites Kim Tae-chung Remarks at Conference

SK2503051895 Pyongyang KCNA in English 0424 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation of South Korea, in his lecture on March 22 said, mentioning the anti-ethical act of the Kim Yong-sam group toward the North's misfortune at the loss of the father of the nation, that the government's attitude was wrong at the time of controversy on mourning and the authorities should take appropriate measures to clear up misunderstanding. The Committee for the Peaceful Reunification of the Fatherland in a statement on March 24 stressed that his remark reflects the mind of the South Korean people who sincerely mourned over the death of the fatherly leader President Kim Il-song and carries voices of world conscience.

This notwithstanding, the traitor Kim Yong-sam, far from repenting of their barbarious act and apologizing for it, manipulated the minister of the puppet unification board and a spokesman of the "Democratic Liberal Party" to let loose a string of outbursts that their attitude was "a proper step" and to urge Kim Tae-chung to make clear the real intention of his remark, the statement said, and continued:

The outcries of the Kim Yong-sam group clearly show again that they have no willingness to be reconciled and unite with the North as one nation and to have dialogue among fellow countrymen and that they have no intention of changing their hostile and anti-national attitude toward the north, the dialogue partner.

The "dialogue" on their lips is a lie and they have no face and qualification to talk about North-South dialogue.

This time, the Kim Yong-sam group threatened the person who pointed out its errors, urging him to make clear his real intention. This is a fascist frenzy of those who seek national confrontation and division. This reminds one of the military fascist clique's habit of ostracising political rivals by questioning their ideology. And it is a replica of the "charge of suspicious color" habitually employed by the anti-communist fascist elements.

By origin, to mourn over the death of a person is a matter of ethics and morality beyond idea and ideology.

The man who pretends to be a fellow countryman is trying to sow the seed of discord within the nation and justify his crime, making the expression of condolence a political issue. This thrice-cursed act shows he is not a man, still less a fellow countryman.

The Kim Yong-sam group committed another shocking crime by defending its thrice-cursed crime this time.

The Korean people can never pardon this and will certainly make the Kim Yong-sam group pay dearly for it.

The Kim Yong-sam group must clearly see that it is now digging its own grave.

The Kim Yong-sam group which no longer belongs to the nation and humanity will be sternly judged by history and the nation without fail.

ROK Remarks Against Kim Tae-chung Denounced

SK2703005495 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 25 Mar 95

[Commentary by Kim Ho-sam: "They Should Resolutely Eliminate the Kim Yong-sam Group"]

[FBIS Translated Text] Today our people are greeting the 83d anniversary of the birth of the great leader. With the approach of 15 April—the greatest national holiday—with each passing day all of us are evoking the image of the great leader [suryong] in their hearts over and over again, being overwhelmed with bitter and painful feelings. The reason we have further cherished such feelings in our hearts this year is because we can no longer celebrate the fatherly leader's birthday in his presence, the savior of the nation. By the way, the Kim Yong-sam group, the inveterate enemy, is wielding again its knives against the bitter feelings of our nation.

As was already reported, Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, stated during a seminar on 22 March that the government was wrong in its dealings with the North when the people stirringly expressed their condolences over the great leader's death, and that even now, the South Korean authorities should take appropriate measures to help the North understand why they did not send a condolence team.

The Kim Yong-sam group has made the puppet Unification Board minister and a spokesman of the Democratic Liberation Party absurdly state that their dealings with the North at that time were appropriate. Also, just like a thief who turns on the master with a club, they shouted threateningly on the side of the Kim Yong-sam group at Kim Tae-chung, who made more reasonable remarks, that he should disclose the motive of his remarks.

All fellow countrymen are now being overwhelmed with surging indignation and hate against the vicious and ignorant remarks by the Kim Yong-sam group. The treacherous Kim Yong-sam group, murderers of the century and anti-reunification rascals, are the most unique group of gangsters in the world, who even hammer nails into the hearts of the fellow countrymen who are overwhelmed with a grudge [wonhan], without considering the destiny of the nation and fellow countrymen. In the world there are no other rascals like the Kim Yong-sam group. Truly, this is an act that frightens the mountains and streams, plants and trees.

What is our leader [suryong] like? It is our respected and beloved leader [suryong] who created the immortal chuche idea at an earlier time and, based on it, carried out the anti-Japanese armed struggle. Also, he gained our lost country and, at the same time, established the socialist sovereign country—independent, self-reliant, and self-defensive—which all people throughout the world look upon enviously.

Because of this, over 5 billion people throughout the world expressed condolences to the bier of the fatherly leader when he died, being overwhelmed with a feeling of bitterness. Even the sky and earth cried for his death. By the way, it was just the Kim Yong-sam group that pointed guns at its fellow countrymen, who were bitterly wailing for the leader's [suryong] death.

Rather than regretting its terrible crime, the Kim Yong-sam ring has called upon Kim Tae-chung to disclose the motive of his remarks, saying that the act they committed represented appropriate measures. How can we dare regard them as human beings?

All of our fellow countrymen are now making efforts to make this a year in which national reconciliation, as well as unity, are surely achieved and in which a significant upturn can be effected in creating a new occasion for national reunification. At this juncture, the Kim Yong-sam ring is sowing the seed of discord inside the nation and embarking upon the road of confrontation with the North, committing such terrible crimes. Therefore, how can we dare believe that they have the will to reconcile and unite with us? We can never believe that they will do so.

The Kim Yong-sam ring themselves have announced before the nation that they have no justification to talk about national reconciliation and unity. Our people will no longer see the treacherous Kim Yong-sam group, who wields barriers [chadanbongul naerinun] by more harshly creating obstacles to the future road of reunification. Also, they will never forgive their crimes.

Now, our people's voice of cursing and denouncing the Kim Yong-sam puppets has been raised more harshly.

These rascals like animals, who are not human beings or belong to our nation, can no longer stand on the ranks of our nation [uri minjogui taeoe]. There is an old proverb that says: It is better to not contribute at a funeral than to spoil it. [yollyang pujonun mothal mangjong paengnyang chesangul chiji malla]. The Kim Yong-sam ring should clearly know that they will pay dearly for their crimes.

Daily Urges Reunification Based on Independence

SK2603084395 Pyongyang KCNA in English 0824 GMT 26 Mar 95

["MINJU CHOSON Calls For Achieving Great Unity of Nation in Spirit of National Independence"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA)—MINJU CHOSON today calls for achieving the great unity of the Korean nation on the basis of patriotism and the spirit of national independence to accelerate the reunification of the country.

The paper in a signed article says:

The "10-point programme of the great unity of the whole nation for the reunification of the country" published by the great leader President Kim Il-song is a great charter of reunification which gives an overall exposition of the target, ideological basis and principle of great national unity and way of its realisation.

Patriotism and the spirit of national independence are the ideological basis of great national unity as a noble ideological feeling to love the nation passionately and defend the national independence with lives, because it is the ideological feeling common to the members of the nation.

Independence is lifeblood for the nation. As long as there are borderlines and different nations and people live with a national state as a unit, their destinies are unthinkable apart from the destiny of the country and the nation.

Although a country and a nation consist of different classes and strata, people love their country and nation passionately, value national independence and fight in unity for the independence of their county and nation.

Patriotism and the spirit of national independence are an ideological basis of great national unity also because their full display is the proud tradition of our nation.

Our nation is ardent in love for their country and nation and strong in the spirit of independence.

If all the fellow countrymen in the North and the South and abroad proceed from patriotism and the spirit of national independence, a common idea of the nation, they can be reconciled and unite with each other, transcending all differences, overcome the difficulties and achieve reunification and prosperity with the concerted efforts of nation.

All the Koreans who are concerned about the destiny of the nation should make a tangible contribution to the reunification of the country, those with strength devoting their strength, those with knowledge giving their knowledge and those with money donating their money in accordance with their circumstance and conditions by giving full play to patriotism and the spirit of national independence as members of the nation.

When the Koreans at home and abroad get together in one place on August 15 this year to grandly celebrate the 50th anniversary of the liberation of the country on a nation-wide scale, an epochal turn will take place in achieving the great unity of the nation on the basis of patriotism and the spirit of national independence.

Commentary Denounces Japan's Security Doctrine

SK2703101895 Pyongyang KCNA in English 1006 GMT 27 Mar 95

["Powder-Reeking Doctrine of 'Regional Security'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—NODONG SINMUN March 26 disclosed the aggressive character of the doctrine of "regional security" on the lips of the Japanese reactionaries.

Pointing out that the aggressive nature of Japanese militarism has been little changed though it is a half century since the defeat of the Japanese imperialists, the author of the article says:

Japan is scheming to realize its wild dream of the abortive "Greater East Asia Co-Prosperity Sphere" in a more crafty and sinister way. To this end it has come out with the doctrine of "regional security".

The Japanese reactionaries are trying to make use of the doctrine as a pretext for speeding up their arms expansion and arms buildup.

They radically fortified the Japan's military power both in quality and quantity on the pretext of containing the alleged "threat" and "offensive possibility" of the former Soviet Union. But they lost the justification for arms expansion and arms buildup with the termination of the Cold War and the collapse of the former Soviet Union. They, therefore, have just made a pretext of "regional security".

The Japanese reactionaries are crying that as the "regional security" is closely linked to Japan's "security and national interest" and it is Japan's "responsibility" to "ensure security" in the Asia-Pacific region including Northeast Asia, it is necessary to get strong military power to fulfill its "responsibility".

This is a reversed doctrine.

If Japan really wants regional security, it should give up the policy of arms expansion and arms buildup.

The Japanese reactionaries are also attempting to use the doctrine of "regional security" as a tool for establishing a socalled "regional security system" with Japan as an axis and expanding it to form their influential sphere in Asian region.

In establishing the "regional security system", they have set forward an immediate task to strengthen tieup with the South Korean puppets.

Through military tieup with the South Korean puppets, they intend to establish Japan-South Korea "security system" and expand it into "multi-national security system."

In this way, they try to form their influential sphere and realize their military and political domination over Asia.

The Japanese reactionaries take the doctrine of "regional security" as a pretext to justify their military expansion overseas.

They have already legalized the overseas dispatch of the "self-defense forces". But they are not free with military activities overseas, controlled by the constitution prohibiting their arms influence over other countries, in other words, the exercise of the "right to collective self-defense".

This is why they try to rectify the constitution with the "regional security" as a pretext and legalize the exercise of the "right to collective self-defense" so as to fling wide open the door of overseas military operations.

It is a road of self-ruin for the Japanese reactionaries to scheme to repeat the past blood-stained history of aggression, clamouring for the "regional security".

NODONG SINMUN on Japanese 'Past Crimes'

SK2703055495 Pyongyang KCNA in English 0506 GMT 27 Mar 95

["Japan's Past Crimes Must Be Liquidated"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—NODONG SINMUN today comments on a torrent of balderdash rolling off the tongue of the Japanese to defend the Japanese imperialists' past crimes with the approach of the 50th anniversary of the defeat of Japan in the war.

Some time ago, the chairman of the Japanese "Dietmen's union on the 50th anniversary of the end of the Pacific war" said that Japan did not invade Asia in the past but fought against European colonialists.

Former Japanese Prime Minister Nakasone asserted that the expression "Japanese imperialists' past colonial rule over Korea" is not appropriate.

This hokum fully reveals the ambition of the Japanese militaristic forces for reinvasion, the analyst of the paper says, and continues:

As was proved by history, the Japanese imperialists invaded Korea and other Asian nations and committed indelible crimes.

Nevertheless, the Japanese reactionaries are letting out a stream of militaristic remarks at random this is because they have only the military expansion ambition.

It is an invariable design of the Japanese reactionaries to dominate Korea and other Asian nations.

To this end, they are stepping up the conversion of Japan into a military power and nuclear power and zealously staging large-scale military exercises with the road of troop dispatch overseas paved.

Japan would be well advised to officially admit her aggression on and damages to Korea and other Asian nations and apologize and atone for them before making a new start.

Kim Chong-il Greets Chongnyon Chairman

SK2703045795 Pyongyang KCNA in English 0435 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The great leader Comrade Kim Chong-il on March 18 sent a telegram of congratulation to Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on the occasion of his 88th birthday.

In the telegram, Comrade Kim Chong-il pointed out that he is a veteran revolutionary, patriot and a senior of the movement of Koreans in Japan, who had been infinitely loyal to the great leader Comrade Kim Il-song all his life and has done a lot of work for the motherland and the nation and the strengthening and development of Chongnyon.

Noting the proud course traversed by Chongnyon and its brilliant patriotic achievements are associated with his merits and unknown efforts, Comrade Kim Chong-il expressed the hope that he will enjoy a good health and creditably lead the Chongnyon in full vigour as in the past though he is old, faithful to the behests of the fatherly leader Comrade Kim Il-song.

Chongnyon Chairman Cited

SK2703053695 Pyongyang KCNA in English 0443 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—A telegram of congratulation and a gift sent by respected Marshal Kim Chong-il to Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on his birthday were conveyed to him at a party held at the Korean hall in Tokyo on March 23 on his 88th birthday, according to the Tokyo-based Korean news service.

Expressing his resolution at the party, Chairman Han Tok-su said he would keep on his good health as taught by the respected marshal and firmly stand to the end in the patriotic ranks closely united with the comrades who have worked hard sharing sweets and bitters under the difficult circumstances of an alien land.

He stated he would do his best to uphold the respected marshal with one mind of loyalty and filial piety and build up Chongnyon as a genuine organization faithful to the idea and leadership of the general, in order to achieve national reunification and the ultimate victory of the cause of chuche.

Cambodian Party Delegation on Official Visit

Delegation Arrives in Pyongyang

SK2503222795 Pyongyang KCNA in English 1504 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—A delegation of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party led by its General Secretary Norodom Sirivut arrived here today.

It was met at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK]; Kim Yang-kon, vice-director of a department of the WPK Central Committee; and other officials concerned, Oum Mannorine, Cambodian ambassador to Korea, and embassy officials.

WPK Holds Reception for Delegation

SK2603083195 Pyongyang KCNA in English 0816 GMT 26 Mar 95

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] hosted a reception in honor of the visiting delegation of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party at the Mansudae Assembly Hall on March 25.

Speaking at the reception, secretary of the WPK Central Committee Hwang Chang-yop said that the FUNCINPEC Party founded by his majesty respected King Norodom Sihanouk greatly contributed to finally establishing a new royal government and achieving the political stability of the country through its energetic activities for the building of an independent, neutral, peaceful, cooperative and new Cambodia.

The Workers' Party of Korea and the Government of the DPRK actively support the position and efforts of the FUNCINPEC Party and the royal government which are developing the friendly and cooperative relations with many countries of the world on the non-aligned principle, maintaining independence, he said, and went on:

The relations between the two countries and the two parties have been established on the basis of the particular intimacy between the great leader Comrade Kim Il-song and his majesty respected King Norodom Sihanouk and steadily consolidated and developed under the deep concern of the two leaders.

The great leader of our party and our people Comrade Kim Chong-il is attaching important significance to the development of relations between the two parties and leading us to continue developing the relations with the FUNCINPEC Party on good terms as the fatherly leader did in his time.

The Workers' Party of Korea will as ever make all efforts to consolidate and develop the friendly and cooperative relations with the FUNCINPEC Party.

General Secretary of the FUNCINPEC Party Norodom Sirivut said in his speech that his party and party members, first of all, express deepest condolences over the death of Generalissimo Kim Il-song, the great leader and the closest friend of the chairman of the FUNCINPEC Party and His Majesty King Norodom Sihanouk.

He noted that the intimacy between His Majesty King of Cambodia and his excellency respected Generalissimo Kim Il-song is the sincerest one with no precedent in the world.

The friendly relations between the two countries provided by the most respected great leader Generalissimo Kim Il-song with His Majesty King Norodom Sihanouk are now being strengthened and developed still further by the great leader of the Korean people Comrade Kim Chong-il, he said.

He expressed thanks to the Workers' Party, Government and people of Korea for their active new cooperation to Cambodia and stressed the need to further develop the friendly relations between the two parties, the two countries and the two peoples.

He actively supported the policies of national reunification advanced by the great leader of the Korean people Generalissimo Kim Il-song and stressed that Korea should be reunified into one free from outside interference.

WPK, Delegation Hold Talks

SK2603085095 Pyongyang KCNA in English 0833 GMT 26 Mar 95

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA)—Talks were held here today between the delegations of the Workers' Party of Korea and the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party.

Present on the Korean side were secretary of the C.C. [Central Committee], the WPK Hwang Chang-yop; vice-director of a department of the C.C., the WPK Kim

Yang-kon and other officials concerned and on the opposite side were head of the delegation and General Secretary of the FUNCINPEC Party Norodom Sirivut, and members of the delegation and Cambodian Ambassador to Korea Oum Mannorine.

At the talks the sides informed each other of the situation of their countries, expressed the satisfaction with the favorable development of the friendly relations between the two parties and the two peoples and discussed their strengthening and development.

The talks proceeded in a friendly atmosphere.

KSDP Leader Meets With Delegation

SK2703054695 Pyongyang KCNA in English 0522 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party, Sunday met and had a friendly talk with the visiting delegation of the FUNCINPEC [National United Front for an Independent Neutral, Peaceful, and Cooperative Cambodia] Party led by its General Secretary Norodom Sirivut.

Present were officials concerned and Cambodian ambassador to Korea.

The head of the delegation expressed deep condolences over the sudden death of his excellency the great leader Generalissimo Kim Il-song and said that His Majesty King Norodom Sihanouk and all political parties and organizations and people of Cambodia mourned his death for several days.

Noting the cause of chuche is being creditably carried forward and accomplished in Korea, he said the FUNCINPEC Party and the Cambodian people wish a long life in good health to Comrade Kim Chong-il, the great leader of the Korean people.

Vice President Meets Sirivut 27 Mar

SK2703102695 Pyongyang KCNA in English 1010 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—Vice-President Yi Chong-ok who is also Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK], today met and had a friendly talk with the visiting delegation of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party led by its general secretary Norodom Sirivut at the Mansudae Assembly Hall.

Present there were Kim Yang-gon, vice department director of the C.C., the WPK, and Cambodian Ambassador to Korea Oum Mannorine.

The FUNCINPEC Party leader said the Korean people changed their grief at the loss of his excellency the great leader Generalissimo Kim Il-song and are courageously advancing under the leadership of his excellency the great Kim Chong-il.

The singlehearted unity of the leader, the party and the masses is being consolidated in Korea generation after generation, he said, adding that no big power can violate the sovereignty of Korea that is guided by the chuche idea and united in one mind.

He sincerely wished good health and a long life to his excellency marshal Kim Chong-il, the great leader of the Korean people.

Gift Presented to Kim Chong-il

SK2703104095 Pyongyang KCNA in English 1020 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The great leader Comrade Kim Chong-il received a gift from H.R.H. [His Royal Highness] Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and first prime minister of the royal government of Cambodia.

The gift was handed to Hwang Chang-yop, secretary of the C.C. [Central Committee], the Workers' Party of Korea, by H.E. Norodom Sirivut, general secretary of the FUNCINPEC Party, on a visit to Korea.

Foreign Minister Meets With Norwegian Delegation

SK2403214095 Pyongyang KCNA in English 1504 GMT 24 Mar 95

[FBIS Transcribed Text] Pyongyang, march 24 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam met and had a friendly conversation with the delegation of the Norwegian Foreign Ministry led by Lasse Seim, deputy general director of the political department of the Foreign Ministry, on March 24.

WPK Delegation Departs for Thailand, India

SK2503110795 Pyongyang KCNA in English 1041 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—A delegation of the Workers' Party of Korea [WPK] led by Hyon Chun-kuk, department director of its Central Committee, left here today to participate in the 15th Congress of the Communist Party of India (Marxism).

The delegation was seen off at Pyongyang Railway Station by Kim Yang-kon, vice-director of a department of the WPK Central Committee and Adya Nand Jha, Indian ambassador to Korea.

The delegation will visit Thailand before India.

Kang Song-san Greets Bangladesh Prime Minister

SK2503104895 Pyongyang KCNA in English 1028 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—Kang Song-san, premier of the Administration Council, sent a message of greetings to Bangladesh Prime Minister Khaleda Zia on the occasion of its independence day.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop, and wished her greater success in her work.

Peru-Korea Youth Friendship Association Formed

SK2403213895 Pyongyang KCNA in English 1500 GMT 24 Mar 95

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA)—The Peru-Korea Youth Friendship Association held a meeting for introducing its formation on March 10.

Speaking at the meeting, chairman of the association Miguel Chiapa Sotomayor said that the Peruvian young people have learned from Korea of chuche wisely led by the dear leader Comrade Kim Chong-il, looking up to it as a beacon of freedom and liberation, progress and prosperity.

The basic task of the association is to study the chuche idea which was founded by the great leader President Kim Il-song and has been developed and enriched by the great leader Comrade Kim Chong-il, learn from the Korean-style socialism, its embodiment, and to strengthen anti-imperialist solidarity and friendship with the Korean young people, he said.

He introduced the inaugural declaration, the 10-point programme of democracy, the challenging plan and the composition of the national executive committee.

Austrian Communist Party Supports Korean Struggle

SK2403213995 Pyongyang KCNA in English 1503 GMT 24 Mar 95

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA)—The Central Committee of the Communist Party of Austria made public a statement supporting the February 22 information of the Secretariat of the International Liaison Committee for Reunification and Peace in Korea on supporting and encouraging the Korean people in their struggle to achieve the reunification of the country in the 90s as a broad international solidarity movement.

The statement hoped that new favourable circumstances and conditions would be created in the Korean people's struggle to realize the proposal for reunification through confederacy, denuclearize the Korean peninsula and get the U.S. forces withdrawn from South Korea.

It expressed firm support and solidarity for the struggle of the Korean people who are making active efforts for peace, disarmament and international detente.

Foreign Guests Visit Kim Il-song's Statue

SK2703051595 Pyongyang KCNA in English 0452 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The visiting delegation of the Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party led by its General Secretary Norodom Sirivut called at the statue of the great leader President Kim Il-song on Mansu Hill on Sunday, laid a floral basket before it and made a bow.

Written on the ribbon hanging from the basket were letters reading "His Excellency the great leader Generalissimo Kim Il-song will be immortal."

Saying that he could hardly repress grief at the death of the greatest leader Generalissimo Kim Il-song, the head of the delegation noted that he will always be with the people.

Prof. Ahmad Samir al-Sayid 'Awad of the Zagaziq University of Egypt and his party on last Saturday visited the statue of President Kim Il-song and laid bouquets of flowers before it, expressing deep reverence for him.

Kim Il-song's Guidance to Ministry Recalled

SK2603084995 Pyongyang KCNA in English 0831 GMT 26 Mar 95

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA)—A meeting commemorating the 30th anniversary of the great leader President Kim Il-song's on-the-spot guidance to the Ministry of the Metal Industry was held here Saturday.

Present at the meeting were Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president; Han Song-yong, member of the Political Bureau and secretary of the Central Committee of the WPK; officials concerned, and officials of the Ministry of the Metal Industry, commissions and ministries of the Administration Council.

The participants paid a silent tribute in deepest reverence to the memory of President Kim Il-song, who devoted his whole life solely to the freedom and happiness of the people and the independence and boundless prosperity of the country.

Choe Yong-nim, alternate member of the Political Bureau of the Central Committee of the WPK and vice-premier of the Administration Council, delivered a report.

He said that the great leader Comrade Kim Il-song personally belonged to the party cell of the management bureau of the ferrous metal industry under the Ministry of the Metal Industry for a whole year of 1965 and showed a noble model of the party life, approaching the party organisation with the attitude of an ordinary party member, not the leader of a country and general secretary of the great party .

The great leader acquainted himself with the work of the Ministry of the Metal Industry, guiding general meetings of the party cell and the general membership meeting of the party organization of the ministry on several occasions and went to the then Hwanghae iron and steel works, the Unyul mine and the Kangson steel works to teach officials of the ministry in detail how to guide industrial establishments, he said.

The reporter said that the work of organising the economy and guidance to industrial establishments were carried on well as taught by the respected leader, and the steel production capacity of the country increased five times in the past 30 years.

Saying that the revolutionary cause of the great leader Comrade Kim Il-song is being successfully carried forward by the great leader Comrade Kim Chong-il, he stressed that all the officials should hold Comrade Kim Chong-il in high esteem with loyalty and filial piety and defend him resolutely.

Yi Chong-ok, Others Attend Meeting

SK2603112995 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 26 Mar 95

[FBIS Translated Excerpt] A report meeting took place yesterday in Pyongyang to mark the 30th anniversary of the great leader Comrade Kim Il-song's on-the spot guidance to the Ministry of the Metal Industry.

Present at the meeting were Comrade Yi Chong-ok, member of the Workers Party of Korea [WPK] Central Committee Political Bureau and vice president; Han Song-yong, member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee; Comrades Choe Yong-nim and Hong Song-nam, alternate members of the WPK Central Committee Political Bureau and vice premiers of the Administration Council; pertinent officials; and officials of the Ministry of the Metal Industry and other ministers of the Administration Council. [passage omitted]

Comrade Choe Yong-nim delivered a commemorative report to the meeting. [passage omitted]

Kim Chong-il Praises Ministry's Party Officials

SK2703053895 Pyongyang KCNA in English 0446 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The great leader Comrade Kim Chong-il highly praised the party officials of the Ministry of Maritime Transport and officials and people of Myongchon County, North Hamgyong Province, who distinguished themselves in assisting the People's Army.

The party officials of the Ministry of Maritime Transport called at the Women Coast Artillery Company of Unit No. 291 of the Korean People's Army which Comrade Kim Chong-il personally visited on February 5 this year, and actively encouraged the company soldiers to perform feats in their military service, sharing feelings of kinship with them.

Officials of Myongchon County, North Hamgyong Province, too, are doing much work helpful to the strengthening of the combat power of the People's Army and the life of the soldiers.

Kim Chong-il Sends Thanks to Various Units

SK2503052095 Pyongyang KCNA in English 0408 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the Kim Che-won cooperative farm in Chaeryong County, South Hwanghae Province, and the Sinwon Senior Middle School in Pyongyang which gave full play to communist traits with infinite loyalty to the party and the leader.

Comrade Kim Chong-il also sent thanks to 39 graduates and their teacher Yi Chol-yong of the Yonggwang Senior Middle School in Sinhung County, South Hamgyong Province, the 10-member family of Tong Hun-mo, head of the Toksong County road maintenance workshop, and other working people who volunteered road management.

Trade Union Federation Holds Plenary Meeting

SK2603082195 Pyongyang KCNA in English 0808 GMT 26 Mar 95

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA)—The 29th plenary meeting of the Central Committee of the General Federation of Trade Unions of Korea [GFTUK] was held here on March 24.

The plenary meeting discussed the tasks of the trade union organisations to greet the 50th anniversaries of the foundation of the Workers' Party of Korea and the liberation of the country with a high degree of political enthusiasm and brilliant achievements in labour.

Chu Song-il, chairman of the GFTUK Central Committee, delivered a report, which was followed by speeches.

Noting that the 50 years traversed by the Korean people are the 50 ears of fruitful struggle and advance and the 50 years of victory and glory, the reporter and speakers pointed out that the great leader President Kim Il-song performed immortal feats in the building of the chuche-type party and the accomplishment of the socialist cause and that the party had been strengthened and developed into an ever-victorious revolutionary party of chuche-type under the leadership of the dear leader Comrade Kim Chong-il.

They referred to the tasks of all union organisations and officials to make active contributions to brilliantly adorning this significant year, upholding the intention of the party.

Agricultural Workers Union Holds Meeting

SK2503051995 Pyongyang KCNA in English 0410 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The 24th plenary meeting of the Central Committee of the Union of Agricultural Working People of Korea [UAWPK] was held here on Thursday.

The plenary meeting discussed the task to greet the 50th anniversaries of the foundation of the Workers' Party of Korea and the liberation of the country with a high degree of political enthusiasm and brilliant achievements in labour.

The plenary meeting stressed that the organisations of the UAWPK at all levels should make active contributions to cementing the singlehearted unity of the whole society as firm as a rock by rallying union members closer around the great leader Comrade Kim Chong-il.

A relevant decision was adopted at the plenary meeting.

South Korea

U.S., DPRK Hold Talks on Nuclear Accord

Seoul, U.S. Maintain Position

SK2503031495 Seoul YONHAP in English 0304 GMT 25 Mar 95

[FBIS Transcribed Text] Washington, March 24 (YONHAP)—South Korea and the United States decided Friday to maintain their position that the nuclear reactors to be provided by the Korean Peninsula Energy Development Organization (KEDO) for North Korea should be of South Korean standard model under any circumstances.

Mindful of the experts' talks to open in Berlin Saturday, they also agreed that South Korea should play a central role in KEDO's supplying the reactors.

Yi Chae-chun, assistant foreign minister for political affairs, held talks with Winston Lord, U.S. assistant secretary of state for East Asian and Pacific affairs, on Wednesday and Thursday.

"If North Korea dare resume operations of its graphite-moderated nuclear reactors after April 21, which it says is a time limit, we will consider it as a serious move breaking the agreed framework between Pyongyang and Washington and immediately take resolute measures," Yi said.

North Korea is insisting that the contract between KEDO and North Korea should be made by April 21, saying that day is not a target date, but a deadline.

Commenting on likely developments after April 21, Yi said that he and the U.S. official exchanged profound views on every possible situation.

"South Korea and the United States do not want a catastrophe, and will make efforts to solve this problem through dialogue to the end," Yi emphasized.

Concerning press report that the KEDO is studying to change the specification in the reactor contract in a way that avoids the wording "South Korean standard model," Yi said, "It is a groundless report.

"We talked with officials from the White House, the Defense Department and State Department here for two days, and the conclusion was that South Korea will play a central role and that there is no alternative to the South Korean standard model light-water reactors," he said.

However, Robert Gallucci, U.S. nuclear ambassador [title as received], was known to have complained recently to South Korean lawmakers at a seminar here, saying that South Korea seemed to excessively cling to the wording "South Korean standard."

Yi said that such statements are weakening the position of both South Korea and the United States in negotiations with North Korea, adding, "The United States has not presented the problem of changing the wording in official meetings."

Yim Sung-chun, director general of the Foreign Ministry American Affairs Bureau, said, "We didn't meet Ambassador Gallucci this time. So we could not confirm whether or not Gallucci had made such remarks."

On the resumption of inter-Korean dialogue, South Korea expressed its position that it needs to patiently persuade North Korea, and the United States sympathized with that position.

The two countries agreed to continue to make joint efforts to create favorable conditions for resumption of the inter-Korean dialogue.

The two sides also worried about North Korea's maneuvers to weaken the military armistice system on the Korean peninsula.

They reaffirmed the principle that the Armistice Agreement is valid until a peace system is established on the peninsula and that a peace system should be discussed and established by the parties concerned, South Korea and North Korea.

Foreign Ministry on Two-Day Talks

SK2503062195 Seoul YONHAP in English 0605 GMT 25 Mar 95

[FBIS Transcribed Text] Seoul, March 25 (YONHAP)—South Korea and the United States reaffirmed Saturday that they would stand firm in the basic principle of providing South Korean standard model light-water nuclear reactors to North Korea and South Korea's central role in the project, the Ministry of Foreign Affairs said.

In a press release on the outcome of the two-day consultations held in Washington between Assistant Foreign Minister for Political Affairs Yi Chae-chun and his U.S. counterpart Winston Lord, the ministry said that the two sides agreed to take strong countermeasures against North Korea if the North breaks the basis of the Geneva agreement with the United States by reloading the five mega-watt reactor after April 21, the target implementation date of the accord.

Both sides agreed that they need to make thorough preparations against the possibility that North Korea might be using its unique brinkmanship tactics to obtain maximum concessions, according to the statement.

"In this context, both sides shared the view that it is very important to let North Korea clearly understand the firmness of the South Korea-U.S. common positions and cooperation, without giving them false expectations," said the spokesman.

During the high-level consultations, the Korean side stressed the importance of continuing its efforts to persuade North Korea with sincerity and patience, while the U.S. side agreed and expressed that it wishes to encourage common efforts of the two countries in order to solidify a basis for resuming inter-Korean dialogue, according to the statement.

"South Korea and the United States also expressed serious concerns over North Korea's maneuvering to paralyze the armistice organization, such as its eviction of the Polish Neutral Nations Supervisory Commission (NNSC) from Korea," said the statement.

"They also reaffirmed that the Armistice Agreement still remains in effect, and the issue of transforming the current Armistice Agreement into a permanent peace regime should be discussed between the two Koreas," according to the statement.

Japan Asked To Transmit Seoul Stance

SK2503062895 Seoul YONHAP in English 0617 GMT 25 Mar 95

[FBIS Transcribed Text] Seoul, March 25 (YONHAP)—South Korea requested Saturday that a Japanese parliamentary delegation deliver to North Koreans South Korea's position that there is no alternative to the South Korean-type light-water nuclear reactors to be provided to the North under the North's nuclear deal with the United States.

Vice Foreign Minister Yi Si-yong called in Japanese Ambassador Shintaro Yamashita to the ministry to request that the Japanese Government inform the ruling coalition delegation to the North of the South Korean Government's position that the reloading of the 5 megawatt nuclear reactor in Yongbyon could lead to a serious consequence, according to a Foreign Ministry spokesman.

Yi also stressed that reopening of the inter-Korean dialogue is essential for the implementation of the nuclear deal between the United States and North Korea.

The Japanese parliamentary delegation will visit North Korea next week to discuss resuming normalization talks which were suspended in 1992 when the two sides failed to narrow differences over the allegation that a Japanese woman was kidnapped to the North for training espionage agents in Japanese language.

North Rejects ROK-Style Reactors

SK2603075295 Seoul YONHAP in English 0746 GMT 26 Mar 95

[FBIS Transcribed Text] Berlin, March 25 (YONHAP)—North Korea and the United States were in bitter tug-of-war at their five-day experts' talks, starting Saturday [25 March] here, over the selection of South Korean model nuclear light-water reactors to be provided by the Korean Peninsula Energy Development Organization (KEDO) for the former.

The North's side, led by Kim Chong-u, chief of the External Economy Commission, insisted that they could not accept the South Korean standard model by any means, while the U.S. side, headed by Gary Samore, State Department's deputy-director for nuclear nonproliferation, reiterated that there would be no alternatives other than the South Korean model, informed sources here said.

Saying April 21 is a deadline for the conclusion of a reactor supply pact, the Pyongyang delegation reportedly maintained that it cannot but to take certain steps in case when an agreement on the types of light-water reactors is not reached, hinting at scrapping of the Geneva agreement with the United States.

In response to the North's stance, the U.S. Mission warned that it will take tough countermeasures against North Korea if and when the communist country annuls the Washington-Pyongyang nuclear accord by reason of the passage of a time limit, according to the sources.

The North Korean side, in particular, delivered a Pyongyang-version nuclear reactor provision draft to the

U.S. side, and called for a study on it at the meeting, the sources noted. But details on it were not immediately available.

Being underway in a tense atmosphere due to a difference of the two sides' standpoints on the selection of the South Korean nuclear reactor model, the bilateral talks were not able to deal with even the content of a draft on the provision of light-water reactors to the North, the sources said.

DPRK Requests U.S. Reactors

SK2703000395 Seoul YONHAP in English 2354 GMT 26 Mar 95

[FBIS Transcribed Text] Berlin, March 26 (YONHAP)—North Korea, in its nuclear reactor experts' talks Sunday, requested American model light-water reactors, according to sources involved in the talks.

Maintaining its stance rejecting South Korean standard model light-water reactors, Pyongyang in its draft light-water reactor supply contract demanded that an American firm take charge of the whole project, including design and construction as the primary contractor, the sources said.

North Korea in particular asserted that the United States should assume comprehensive post-construction responsibility on the operation of the reactors as well.

In the draft, the North also reportedly presented conditions going beyond the bounds of ordinary supply contracts, demanding a wide range of compensations.

The U.S. side rejected the North Korean draft contract on grounds that it not only runs counter to an earlier promise of reviewing a light-water reactor supply contract based on a U.S. formula, but also that it deviates from international practices.

The U.S. side firmly conveyed that a South Korean enterprise should be selected as the primary contractor and assume the central role of designing, manufacturing and constructing the reactors, a source said.

Upon rejection of its draft by the U.S. side, North Koreans reportedly proposed on the spot that Russian reactors be supplied with the costs financed by South Korea, indicating that they themselves have no definite alternative to South Korean reactors.

When asked to deal with the Korean Peninsula Energy Development Organization (KEDO), an international consortium tasked with financing and providing the North with light-water reactors, the North said it cannot recognize the KEDO as a counterpart of the negotiations until the model of reactors is determined, since the supply of South Korean model reactors forms the core of the agreement establishing the KEDO.

Despite its persistent rejection of South Korean model light- water reactors, however, the North Koreans took a step back from their earlier stance that the Geneva nuclear agreed framework would have to be scrapped unless a light-water reactor supply contract is concluded by April 21. They withheld judgment on the matter pending further developments, a source said.

Both sides agreed to resume the experts' talks Tuesday. However, should they fail to break through the deadlock Tuesday, the experts' talks might come to an early end, the sources said.

Officials Said Not Optimistic

SK2703032295 Seoul CHOSON ILBO in Korean 27 Mar 95 p 1

[By reporters Kim Chang-ki and Kim Sung-yong]

[FBIS Translated Text] High-ranking officials stated on 26 March that as long as North Korea does not change its attitude of rejecting the ROK-type light-water reactor in negotiations regarding assistance with the light-water reactor, the government believes that a confrontation between the international community and North Korea will be inevitable. Therefore, it is preparing to deal with this matter.

High-ranking government officials revealed that President Kim Yong-sam's recent strong remarks warning the North, including "punishment by the international community," reflect such government judgments. An official indicated on 26 March: "It is difficult to expect hardly any compromise from North Korea at the U.S.-DPRK negotiations in Berlin." He continued to say: "Even if another negotiating session is held with North Korea before 21 April—the deadline for concluding the light-water reactor agreement—we cannot be optimistic about the results and, ultimately, there is a great probability that this matter will once again lead to a confrontational situation." He also stated: "If the light-water reactor negotiations are not settled and North Korea resumes its nuclear activities, the United Nations will have no other alternative but to discuss taking sanctions against North Korea."

This official added: "The prevailing view of the opposition and ruling parties, as well as our government, is that 'We cannot bear the expenses if the light-water reactor is not ROK-type,' and because the U.S. Congress is dominated by the Republican Party and the U.S. Presidential election is slated for next year, the Clinton administration will not have a weak attitude."

DPRK Reportedly Refuses IAEA Verification

SK2503085795 Seoul KBS-1 Radio Network in Korean 0800 GMT 25 Mar 95

[YONHAP from Tokyo]

[FBIS Translated Text] NIHON KEIZAI SHIMBUN, citing an International Atomic Energy Agency [IAEA] source, reports today that North Korea is refusing to allow IAEA inspectors to conduct part of the work necessary to verify that nuclear-related facilities are frozen. The source stated North Korea is rejecting the examination of the status of the water of the used water storage tank in the radiochemical laboratory and of the fuel rods taken from the test reactor.

Hans Blix, director general of the IAEA, therefore, will report this to the IAEA Board of Governors meeting which begins 27 March, and express regret, NIHON KEIZAI SHIMBUN reported.

YONHAP on DPRK Stance

SK2503101895 Seoul YONHAP in English 1012 GMT 25 Mar 95

[FBIS Transcribed Text] Tokyo, March 25 (YONHAP)—North Korea has been rejecting some of the work of International Atomic Energy Agency (IAEA) inspectors to verify whether North Korea's nuclear-related facilities remain frozen, the NIHON KEIZAI SHIMBUN reported from Vienna Saturday.

Quoting an IAEA source, the Japanese daily said that if North Korea continues rejecting the work deemed necessary by the IAEA, it would constitute a violation of the framework agreement between North Korea and the United States.

Based on materials on other facilities, however, the IAEA believes North Korea's nuclear facilities in general remain frozen.

The source said North Korea has been denying IAEA inspectors access to the water of the waste liquid storage tank of a radio-chemical center as well as to the fuel bars North Korea has unilaterally taken from an experimental reactor.

But, the seals the IAEA has put to these facilities were unremoved and surveillance cameras were operating normally, the source said.

North Korea was reportedly insisting that the IAEA's access to these materials is not needed in verifying the freezing of North Korean nuclear facilities.

IAEA director-general Hans Blix is expected to report this to the IAEA's Board of Governors meeting slated for next Monday and urge North Korea not to reject the verification work, the paper added.

Party Urges DPRK To Carry Out Geneva Accord

SK2503023695 Seoul YONHAP in English 0231 GMT 25 Mar 95

[FBIS Transcribed Text] Seoul, March 25 (YONHAP)—The main opposition Democratic Party has urged North Korea to faithfully implement the nuclear agreement with the United States in Geneva last October, which calls for the resumption of inter-Korean dialogue among other things.

In a statement issued over the weekend, spokesman Pak Chi-won said the opposition party is backing the government, opposed to the U.S. Government's possible leaning towards not specifying the South Korean reactor model in the light-water nuclear reactor supply contract to be concluded between North Korea and the Korean peninsula Energy Development Organization.

The government, displaying flexibility in its approach to North Korea, should take positive steps toward a summit and other dialogues with North Korea, he stressed.

Pak warned the government, unlike previous administrations, not to heighten tensions with North Korea now that local elections are only three months away.

Foreign Ministry Officials Interviewed on Reactors

SK2603030195 Seoul CHOSON ILBO in Korean 26 Mar 95 p 3

[Interview with Assistant Foreign Minister Yi Chae-chun and Yim Song-chun, director general of the Foreign Ministry's Americas Bureau, by unidentified ROK correspondents held in Washington on 24 March; compiled by CHOSON ILBO reporter Kim Chang-kyun from Washington—CHOSON ILBO does not specify which official answers the questions]

[FBIS Translated Text] [Correspondent] The U.S. media believe that "the ROK Government is excessively clinging to the name of the light-water reactors." Some say that the U.S. Government is floating an observation balloon for a change...

[Official] We are curious about who is floating such a balloon.

[Correspondent] What if North Korea says it will accept ROK-style light-water reactors, if the name of the reactors is changed...?

[Official] North Korea is negating whatever central role the ROK might play. The point is not how to name the light-water reactors. We do not want to discuss this on a hypothetical basis.

[Correspondent] Pak Kil-yon, North Korea's ambassador to the United Nations, has said: "We will accept the reactors only if they are named U.S.-type, instead of ROK-type."

[Official] Our understanding is that the news report was wrong. This was a drawn-out interpretation of what he said about rejecting the ROK-style reactors.

[Correspondent] At an unofficial gathering, U.S. Nuclear Ambassador [title as published] Gallucci reportedly said: "We would rather see the ROK show flexibility toward the name of the light-water reactors."

[Official] We have no idea what Ambassador Gallucci said at an unofficial gathering. But, if it turns out that he said such a thing, then it is only his own private view, not the expression of the U.S. Government.

[Correspondent] There is a rumor that the light-water reactors will be provided gratuitously.

[Official] The reactors will be provided on a long-term, interest-free loan basis. We think that such a rumor is based upon the judgment that if North Korea, which cannot presently repay a foreign debt amounting to $1 billion or less, is provided light-water reactors worth $4 billion, it will be impossible to get repayment from North Korea. North Korea will only have to repay the money within several decades, without paying any interest. Therefore, such a term is virtually next to gratuitous.

Dailies on U.S.-North Korean Talks in Berlin

SK2503093995

[FBIS Editorial Report] The following is a compilation of editorials and articles carried in 25 March Seoul vernacular papers on the U.S.-North Korean expert-level talks in Berlin scheduled for 25 to 29 March and the adoption of ROK-style light-water reactors.

The conservative CHOSON ILBO carries on page 3 a 900-word editorial entitled "U.S. Should Foot the Bill," quoting U.S. nuclear ambassador Gallucci as saying that with the approach of the U.S.-North Korean expert-level talks in Berlin: "If ROK-style reactors are adopted, what they are called does not matter." The editorial says his remarks are similar to those made by Pak Kil-yon, North Korea's representative to the United Nations, thereby raising questions if the United States and the North are trying to force the ROK to make concessions, while they have already reached an agreement on the name of the light-water reactors.

The editorial concludes: "If the United States thinks it will be meaningful to supply the North with light-water reactors, even if the ROK's position is ignored, then, the United States had better foot the bill. The United States does not need to say this or that to the ROK in this regard. We cannot pay more than $3 billion to supply ROK light-water reactors under another name to our main enemy while our position is ignored—reactors that we are afraid will be used for other purposes by the enemy."

The moderate HANGUK ILBO carries on page 3 a 1,000-word article by reporter Ko Tae-song reviewing the ROK Government's position toward the North-U.S. expert-level talks, quoting government officials as stressing the need to see the adoption of ROK-style reactors, as well as using the name of ROK on the reactors. The article cites their position that if such issues are rejected, the opening of liaison offices in the North and the United States should be delayed.

The moderate TONG-A ILBO carries on page 2 a 700-word article written by correspondent Kim Chang-hui based in Berlin noting that North Korea's position toward the talks can be seen in its delegation's arrival statement in Berlin, in which North Korea termed ROK-style reactors as "ghosts" and stressed that "those reactors do not deserve discussion." The article continues that the United States is presumably studying ways to reach a comprehensive agreement with North Korea on also supplying various peripheral facilities for light-water reactors, including a power transmission facility, if North Korea refrains from launching political offensives and assumes a businesslike manner for negotiations, while saying that North Korea urgently needs to conclude a relevant contract in view of the fact that even the North Korean delegation has confessed to North Korea's economic difficulties.

The moderate KYONGHYANG SINMUN carries on page 3 a 900-word editorial faulting the United States for being fooled by North Korea's tactic of making unreasonable demands in negotiations for the supply of light-water reactors. The editorial criticizes the U.S. side for having a limp [mullonghan] attitude and for being indefinitely dragged in by North Korea's endless delaying tactics.

The editorial notes that North Korea's attempt to place responsibility for the standstill in the negotiations on the ROK represents the fact that the United States has no essential policy for solving the North Korean nuclear issue, adding that "such a shilly-shallying [uyubudanhan] attitude of the United States is making North Korea's stubbornness more resolute." In conclusion, the editorial advises the United States to "realize at an early date that the North's negotiation strategy is to make further demands once its previous demands are satisfied."

The moderate KYONGHYANG SINMUN carries on page 5 a 900-word article written by Berlin-based correspondent Son Tong-u that the sense of tension being created around the North-U.S. expert-level talks is caused by the fact that if the question of adopting ROK-style light-water reactors is not resolved in the negotiations in Berlin, the North-U.S. framework agreement can be abrogated. The article reviews the difference of opinions between the United States and North Korea over the 21 April deadline, specified in the framework agreement as the date for concluding an agreement on the supply of light-water reactors, noting that North Korea regards this date as "an immovable deadline" and the U.S. regards it as "a target date." The article concludes by noting the somewhat optimistic prospects that the two sides will reach a compromise, adding that "the hard-line attitude of North Korea is nothing but a strategy aimed at gaining a better position in the negotiations."

KYONGHYANG SINMUN carries on page 5 a 1,000-word article by reporter Yi Pyong-kwang noting the different tone and meaning in remarks made by Kim Chong-u, North Korean delegate to the North-U.S. expert-level talks in Berlin; Pak Kil-yon, North Korean ambassador to the United Nations; and a North Korean Foreign Ministry spokesman. The article quotes one ROK Foreign Ministry official concerned as saying: "At every negotiation North Korea has attained its goals by forcefully pushing ahead while concealing its ulterior motives. It seems that North Korea is presently employing its own peculiar forte, 'a brinkmanship tactic.'"

The article notes that with the approach of 21 April, the North Korean side will disclose its intention to some extent at this round of negotiations, adding that it still remains to be seen if North Korea will reveal its real ulterior motive. The article concludes by noting that the ROK, the United States, and Japan are of the position that beginning with the next round of negotiations, the Korean Peninsula Energy Development Organization will replace the United States in dealing with North Korea.

The pro-government SEOUL SINMUN carries on page 3 a 600-word editorial reviewing news reports on the possibility of the United States making concessions to North Korea during the negotiations. The editorial expresses misgivings that the United States is easily making concessions because the designation of the light-water reactors are not in the U.S. interest, while suspecting that North Korea will again present far-fetched logic and find fault with the mobilization of ROK materials, equipment, and technicians for the construction of the reactors. The editorial concludes that the question of ROK-style reactors is not a simple matter of designation, but an important touchstone to ascertain the North's real intentions.

SEOUL SINMUN carries on page 4 a 1,000-word article by reporter Yi To-yon on the ROK Government's position that North Korea will attempt to alienate the United States, which desires to see North Korea's nuclear facilities frozen; and the ROK, which is adhering to the position of supplying ROK-style reactors, to gain substantial profits in the negotiations on the terms in the contract on the supply of light-water reactors. The article continues that North Korea will maintain its present tactic until October when the second shipment of 100,000 tonnes of heavy oil, an alternative energy source, will arrive in North Korea from the United States. The article adds that it is not a bad tactic for North Korea to bluff, if relevant sanctions are not imposed against North Korea until that time.

SEOUL SINMUN carries on page 4 a 1,000-word article by Washington-based correspondent Yi Kyong-hyong on Washington's position, citing the working-level talks held between Yi Chae-chun, ROK assistant foreign minister; and Winston Lord, U.S. assistant secretary of state, in which the two sides maintained that North Korea has no other choice but to accept ROK-style light-water reactors, that South-North talks should parallel North Korea's faithful implementation of the Geneva agreement, and that, if North Korea breaks the freeze on nuclear facilities, anti-North sanctions will be imposed through the United Nations. The article quotes U.S. officials as trying to sound out the ROK side's position at unofficial gatherings, saying such things as: "Should the light-water reactors be named ROK-style?" or "Even if UN-initiated sanctions are imposed, it will take a considerable length of time to see substantial results." The article concludes that based on a 24 March NEW YORK TIMES editorial, the United States presumably wants to quickly push through dealings with North Korea by making concessions.

U.S.-DPRK Talks, Economic Exchanges Reviewed

SK2603064595

[FBIS Editorial Report] The following is a compilation of articles and an editorial carried on 26 March by Seoul vernacular dailies on the third round of the U.S.-North Korea's expert-level talks in Berlin and U.S.-North Korea's economic exchange.

The conservative CHOSON ILBO carries on page 2 a 1,000-word article written by Berlin-based reporter Cho Yong-taek which predicts rough sailing in the third round of the U.S.-North Korea's expert-level talks being held in Berlin, because the two sides have not changed their previous positions. The article says that with the expert-level talks approaching, South and North Korea maintained a tougher-line stance than ever before, as a result, the working-level delegates were given a narrower range of movement in dealing with the negotiations.

The article says that "North Korea has no choice but to accept ROK-style reactors to establish relations with the United States and solve its economic difficulties, but it is difficult for North Korea to accept such reactors, in view of the impact the construction and maintenance of light-water reactors and the supply of manpower for such a project by the ROK might have in the DPRK." The article also notes the U.S. position, saying: "President Clinton does not want to see the abrogation of the U.S.-North Korea nuclear agreement, which he is touting as one of his major diplomatic achievements while bidding for reelection, and he can no longer maintain a conciliatory stance toward North Korea under circumstances in which the Republican-dominated Congress is complaining that the United States made too many concessions at the Geneva talks." In conclusion, the article notes that some optimists are hoping that either the United States or North Korea will present a new bargaining chip in the final stage in view of the very serious situation that might be created if negotiations over the light-water reactors break down.

CHOSON ILBO also carries on page 2 a 600-word article written by Washington-based correspondent Kim Chang-kyun in the column "Reporter's Memo Book." The article reviews a news report circulating in Washington that says "North Korea will accept ROK-style light-water reactors only if the ROK gives up the name ROK-style." The article says that North Korea is flatly rejecting the ROK-style reactors. The article estimates that the idea contained in such a report was conceived by "doves" in the United States—who are progressive intellectuals who played a leading role in the process of the United States and North Korea reaching an agreement. The article cites their basic policy as wanting "to realize the solution of the North Korean nuclear issue through diplomatic persuasion," while identifying such doves as "a group of journalists, such as THE NEW YORK TIMES journalists, a Democratic Party-affiliated think tank, and some moderates in the Department of State."

The article adds that when such an idea was made known, ROK diplomats reportedly replied: "If North Korea really thought only about the name of the reactors, a solution would have already been provided." The article shows interest in how "the somewhat naive idea of the doves" will affect the negotiations on the light-water reactors, which it says is quickly heading to a breakdown.

CHOSON ILBO carries on page 3 a 900-word editorial entitled "A Threat of War From the North" which quotes the North as "instigating the blow-up of the Agency for National Security Planning, consolidating its people's 'full combat readiness posture,' and calling for 'a revolutionary militant spirit of unhesitatingly jumping into fire or water at the supreme commander's orders and directives to unconditionally accomplish such orders and directives.'" The editorial says the North is talking about "the breaking out of a war" with a view to accomplishing its own stance of rejecting the ROK-style light-water reactors, while the editorial recalls the North's bragging about engulfing Seoul in a sea of fire" when it was under strong pressure from the international community to accept ad hoc inspections of its nuclear facilities in June 1994.

The editorial stresses the need to take a composed posture to cope with any kind of threat from the North, to be determined to fight to frustrate the other party's provocation in advance, and to refrain from making remarks which may irritate the North, concluding that "all people—be they political leaders or national unification experts—should refrain from dealing with the South-North question as if it is a means for their political games."

The moderate HANGUK ILBO carries on page 2 a 1,000-word article written by Washington-based correspondent Yi Sang-sok which reviews the U.S. permission granted to Bartlett Grain Corporation of the United States to export grain to North Korea. The article says that the U.S.-North Korea economic exchange is making rapid progress, under the circumstances in which the United States and North Korea are showing differences in their opinions regarding the light-water reactors to be supplied to North Korea.

Noting that the two sides' economic exchanges range from the dealings in grain to a joint-venture processing-on-commission clothing project, to an energy industry project, including resuming operations of a thermal power plant, the article predicts that such an exchange will expand in the future in view of the U.S. Administration's position that it will not actively control economic exchanges with North Korea as long as such exchanges do not run counter to existing laws and regulations. The article reviews specific examples about direct contacts between the United States and North Korea, such as secret trade negotiations which Idahoan agricultural companies held with two North Korean officials—Kim Chung-kol, vice director of the North Korean International Affairs Institute, and Chon Il-chun, first vice director of the Taesong General Bureau—in Portland, Oregon in early March, as well as North Korea's efforts to establish a joint-venture energy company in collaboration with (Stanton) Corporation of the United States.

In conclusion, the article analyzes that such a forward-looking move by North Korea conforms with Kim Chong-il's policy to gradually open up North Korea, while questioning whether such economic cooperation will continue in the future, regardless of the question of the light-water reactors which is presently in a stalemate.

KHIC Manufactures ROK-Style Reactor Model

SK2703100395 Seoul YONHAP in English 0715 GMT 27 Mar 95

[FBIS Transcribed Text] Changwon, South Kyongsang Province, March 27 (YONHAP)—The Korea Heavy Industries and Construction Co. (KHIC) has completed manufacturing a reference model for the light-water nuclear reactors that the United States is poised to provide to North Korea once the latter agreed to adopt South Korean models in its nuclear reactor project.

A company official said Monday [27 March] the KHIC has manufactured the South Korean standard model reactor vessel at its Changwon plant and already forwarded it to Uljin, North Kyongsang Province, where the No. 3 reactor will be installed at the Uljin Atomic Power Plant.

Weighing some 433 tons, the carbon steel reactor vessel with stainless cladding is 12 meters long and 7 meters wide.

The official explained the company finished producing the reactor through localizing the entire process, from designing to manufacturing, since it started the project in March 1991.

The Uljin No. 3 nuclear reactor, designed to fit the specific Korean situations, has been developed with the technological know- how obtained in the course of building the Yonggwang No. 3 and No. 4 reactors.

NUB Minister Interviewed on Reactor, Exchanges

SK2703091695 Seoul SEOUL SINMUN in Korean 27 Mar 95 p 5

[Interview with Na Ung-pae, deputy prime minister and minister of the National Unification Board, by Hwang

Pyong-son, editor of Political Department II, in the deputy prime minister's office in Seoul on 25 March, compiled by reporter Ku Pon-yong—first five paragraphs are SEOUL SINMUN introduction]

[FBIS Translated Text] The initial deadline for concluding an agreement on the supply of light-water reactors to North Korea (21 April) is about a month ahead. At a time when the argument between the United States and North Korea on the "ROK-style" reactors is slowly casting a cloud over the Korean peninsula, we met with Na Ung-pae, deputy prime minister and minister of the National Unification Board [NUB], on 25 March.

Deputy Prime Minister Na is an economics expert with a doctorate in management from the University of California in the United States, and he has a background as a professor at the Seoul National University; minister of finance, trade and industry; and deputy prime minister and minister of the Economic Planning Board. He is also a four-time elected incumbent legislator from Seoul, and once headed the National Assembly Foreign Affairs and Unification Committee. Reunification affairs are rather new to him, but Deputy Prime Minister Na has gained a reputation in the one month he has held his new job for his casual flexibility and reasonable thinking, which is unexpected from his colorful profile and his age of 61.

He had an unusually resolute tone during the interview, possibly because of rumors about the "April crisis"—that Pyongyang will refuse the ROK-style reactors and the North Korea-U.S. Geneva agreement will eventually break down.

Deputy Prime Minister Na said: "In the course of supplying the ROK-style light-water reactors, if the principle where the ROK takes the central role is not maintained, the ROK would not pay a penny. The ROK-style reactors were originally agreed to during the U.S.-North Korea talks in Geneva. North Korean authorities should not make a misjudgment."

Regarding North Korea's insistance on direct negotiations with the United States that exclude the ROK, Deputy Prime Minister Na stressed: "North Korea should know that, without North-South dialogue, the U.S.-North Korea agreement cannot be smoothly implemented. Concerning the light-water reactors issue, North Korea should change its way of thinking and try to solve the problem through dialogue with the ROK, instead of clinging to the United States."

[Hwang] You are the fifth deputy prime minister in charge of reunification in the civilian regime. Is there any inconsistency or instability in reunification policy due to these frequent replacements?

[Na] There may have been some ambiguity in the government policy in the earlier days of the new government because of expectations rather than a sense of reality. A few deputy prime ministers in charge of reunification were promoted to prime minister, but our position on reunification through a national Commonwealth remains firm, and the priority on pursuing reconciliation and cooperation between the North and the South also remains unchanged.

In accordance with the main trend of international history, North and South Korea should reconcile and cooperate as soon as possible. In light of this, I would like to opt for conservative pragmatism. I have on my mind the "multiple contacts, changes, and opening theory," which facilitates the North and the South to change amid contacts, and increase contacts while changing.

[Hwang] North Korea is intentionally excluding the ROK and only showing interest in improving relations with the United States. North-South relations are as frozen as in the Cold-War era. Now that an economics expert has been appointed deputy prime minister in charge of reunification, we expect that North-South economic cooperation would bring about a breakthrough.

[Na] On 8 November 1994, the government announced measures to vitalize economic cooperation. The exchanges should not be transitory but develop into institutionalized cooperation. To this end, we should steadily begin with feasible test projects and make less noise.

[Hwang] North Korea is rejecting inter-Korean dialogue between government authorities, but is inviting nongovernmental businesses from the ROK and Western businesses, including those from the United States and Germany.

[Na] Given those circumstances in which our businesses are reluctant to invest, do you expect businesses from other countries to actively invest in the North? To find a way to economic recovery via such means as the introduction of foreign capital, North Korea should be aware of the essential need to alleviate tensions between the North and South in order to create a favorable atmosphere for investment. The government plans to begin with the processing-on-commission trade and the exchange of daily necessities, and to expand economic cooperation step by step. We will receive applications for projects for economic cooperation with the North.

[Hwang] Although the North Korean response is not encouraging, would it not be worthwhile to attempt exchanges with the North in the religious, academic, and cultural fields in addition to economics?

[Na] There should be active traffic between the North and South in various fields in order to promote an atmosphere for confidence and peace. The government will permit and support civilian exchanges in the social and cultural fields that are conducted through legitimate procedures and that help the improvement of inter-Korean relations; this is likely to be achieved.

[Hwang] Kim Tae-chung, chairman of the Asia-Pacific Foundation, in connection with the issue of expressing condolences on Kim Il-song's death, asserted that our government failed to take proper measures and thus should resolve the misunderstanding.

[Na] Reviewing the 50-year history of inter-Korean relations, and in view of the national sentiment, to express condolences is impossible. We think the government's measures upon the death of Kim Il-song were proper, so we will not take any measures to resolve the issue.

[Hwang] Chairman Kim proposed that the government allow Cardinal Kim Su-hwan and Democratic Party President Yi Ki-taek to visit the North.

[Na] Under the circumstances where tensions between the North and South have not been alleviated, a visit to the North by individual politicians will only create confusion in inter-Korean relations, increasing the possibility of a North Korean miscalculation. However, we can consider Cardinal Kim Su-hwan's visit to the North at an appropriate time in the future. April, when the North is planning to hold the so-called Pyongyang festival, is not an appropriate time for his visit.

[Hwang] We are curious to know whether North Korea's rejection of ROK-style light-water reactors during negotiations with the United States is a tactic to obtain more benefits or a position adopted with a river behind the troops, even if it risks the revocation of the nuclear agreement. North Korea will no doubt think it unacceptable to have South Korean engineers visit the North and build its reactors. Did North Korea not consider that by signing the agreement with the United States in Geneva on ROK-style reactors, this would pose a threat to the maintenance of its system?

[Na] I can hardly guess. Anyhow, our position is that we can never make concessions on the ROK-style and our central role in the light-water reactors since we will bear the cost more than anyone else. Without this assurance, we cannot pay a penny to the Korea Energy Development Organization, in which case it will be impossible to implement the Geneva nuclear agreement.

[Hwang] I hear North Korea is requesting assistance in the installation of power-distribution facilities in addition to light-water reactors.

[Na] In the North Korea-U.S. light-water reactor experts' meeting, the North requested additional assistance for simulators for operational training and the transmission and distribution of electric power, in addition to light-water reactors. The government understands that most of this additional assistance goes beyond the Geneva agreement.

[Hwang] Do you have any plans to induce North Korea, which is bent on improving relations with the United States and Japan while bypassing us, to accept inter-Korean dialogue?

[Na] Since North Korea demands our apology for not allowing condolences on Kim Il-song's death and the abolition of the National Security Law as a precondition for inter-Korean dialogue, the prospects for inter-Korean dialogue are not bright.

Progress in inter-Korean relations and the improvement of North Korean-U.S. relations should be mutually complementary. The discussion on the timing of the establishment of the liaison offices between North Korea and the United States ought to be made while keeping pace with the improvement of the overall situation on the Korean peninsula by the dint of the smooth installation of the light-water reactors and progress in inter-Korean relations.

PRC Official Cited on Leader, DPRK-U.S. Pact

SK2703061395 Seoul YONHAP in English 0603 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—North Korea is generally stable and Kim Chong-il will formally take office as North Korea's new leader in the near future, a ranking Chinese Communist Party official said here Monday.

Li Shuzheng, head of the Chinese Communist Party's International Liaison Department, told reporters that Kim Chong-il has control over North Korea as supreme commander of the military, upon her arrival at Kimpo International Airport for a visit at the invitation of the ruling Democratic Liberal Party.

When Kim succeeds to power is North Korea's domestic issue, but he is expected to formally rise to power sooner or later, she said.

Asked when President Jiang Zemin would visit South Korea, she said she firmly believes he will visit Seoul within the year, though his travel schedule will be negotiated through diplomatic channels.

During the APEC (Asia-Pacific Economic Cooperation) summit held in Jakarta late last year, she noted, Jiang "willingly" accepted President Kim Yong-sam's invitation to visit South Korea.

As for North Korea's opposition to the South Korean standard light-water nuclear reactors, Li, noting China hopes for peace and stability on the Korean peninsula as well as a nuclear-free Korea, expressed hope the North Korea-U.S. nuclear agreement in Geneva last October, including stipulations for provision of light-water reactors to North Korea, would be faithfully implemented.

Asked about Korean unification, she said the whole Korean people must be aspiring to achieve unification in an independent and peaceful manner, adding that China is backing a peaceful unification of Korea.

Foreign Minister, U.S. Pacific Commander Meet

SK2703093795 Seoul YONHAP in English 0929 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—South Korea and the United States on Monday reaffirmed their position that they should maintain strong military readiness to cope with any contingency involving the North Korean nuclear issue, a Foreign Ministry spokesman said.

Foreign Minister Kong No-myong, talking with visiting U.S. Pacific commander-in-chief Richard Macke, reportedly predicted that the ongoing North Korea-U.S. experts meeting in Berlin on the North's nuclear reactor project is unlikely to progress smoothly due to Pyongyang's insistence on getting other models than South Korean-type light-water nuclear reactors.

The two exchanged views on the security situation on the Korean peninsula, including an international effort to form a regional security forum in northeast Asia, according to the spokesman. Macke was known to have agreed that such effort would serve as a momentum for peace and stability in the region regardless of the North's joining the forum.

The U.S. Pacific commander-in-chief came to Seoul Sunday [26 March] to make inspection tours of the Demilitarized Zone and U.S. military units.

U.S.-ROK Navy Combined Exercises Reported

SK2703034095 Seoul YONHAP in English 0248 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—A U.S. aircraft carrier has recently conducted a combined three-day exercise with the South Korean Navy in seas near Cheju island, the Defense Ministry said Monday.

The joint exercise, held March 21-24, draws attention as they were performed amid signs of deadlocked negotiations between the United States and North Korea over the provision of South Korean standard model light-water nuclear reactors to the socialist country.

The ministry said that the training was conducted as the U.S. carrier "Independence" was passing through waters off South Korea in accordance with its routine training schedule.

The United States has dispatched aircraft carriers on the South Korean waters to "perform routine operations" whenever there were signs of crisis on the Korean peninsula.

The Independence conducted military exercises in seas off of South Korea last March when tensions on the Korean peninsula heightened over the issue of international inspections of the North Korean nuclear facilities.

U.S. Reportedly To Send B-1B's for Exercise

SK2703111595 Seoul HANGYORE SINMUN in Korean 27 Mar 95 p 1

[By reporter Kim Song-kol]

[FBIS Translated Text] It has been learned that the United States will send B-1B strategic bombers, which can carry nuclear weapons, to the ROK to conduct their first bombing exercise here.

According to an official for the U.S. Forces in Korea [USFK] on 26 March, the United States will send two B-1B bombers to the ROK on 28 March to conduct exercises, dropping two inertia-guided bombs at Air Force training sites on the west coast and in North Kyongsang Province, respectively. The U.S. Army base in Guam will be used as an advance base for the bombers. The exercise will be repeated two to four times until early April.

B-1B strategic bombers were sent to the ROK for a military exhibition during the ROK-U.S. Team Spirit joint military exercise in 1993. However, this is the first time they will come to the ROK for a bombing exercise.

The USFK official recalled that in 1994 the United States sent a flotilla of aircraft carriers, including the Kitty Hawk, when North Korea and the United States experienced difficulties during the Geneva negotiations on the nuclear issue. He stated: "The forthcoming bombing exercise is also very likely to be aimed at pressuring North Korea [ibon pokkyok hullyondo taebuk amnyogyongil kanungsongi kuda]."

However, it is also possible the B-1B bombers that will soon sortie to the Korean peninsula will take part in a regular exercise, replacing the role B-52 bombers played in the past. Since the former Soviet Union's nuclear threat has lessened, the United States has promoted the conventional force integration [chaeraesik chollyogyonguro chonhwan hanungot] of B-1B bombers to replace old B-52 bombers. B-52 bombers deployed in Guam have participated in ROK-U.S. joint military exercises such as Team Spirit.

The B-1B bomber has low-altitude infiltration capability, not being acquired by radar until it has approached to within a radius of 10 km of the target. B-1B bombers have been deployed as the major strategic bomber of the U.S. Air Force since 1985. The current U.S. major strategic bomber is the B-2 Stealth. The United States possesses a total of 94 B-1B strategic bombers, which have a maximum horizontal speed of 1.25 Mach, maximum flying range of 12,000 km, and the capability to carry 16 nuclear or 200 conventional bombs.

AT&T Allowed To Enter Purchasing Bids

SK2703032895 Seoul YONHAP in English 0147 GMT 27 Mar 95

[FBIS Transcribed Text] Washington, March 26 (YONHAP)—South Korea and the United States agreed Saturday to conditionally allow AT&T's new exchange model "5ESS-2000" to enter purchasing bids to be placed by Korea Telecom, the South Korean delegation said.

The two countries also decided to hold an experts' meeting soon to decide on the standards of exemption for "type approval" of communications equipment.

At the telecommunications consultation held here from Tuesday through Saturday, the two countries came to an overall settlement on the controversial issues which had caused trade friction between Seoul and Washington.

The agreement will be confirmed soon by an exchange of letters from South Korean Ambassador here Pak Kon-u and U.S. Trade Representative Mickey Kantor.

South Korea agreed to allow the "5ESS-2000" to conditionally participate in the bids as soon as the new exchange model completes the functional test provided as part of Korea Telecom's certification process.

If the model makes a successful bid, AT&T must complete all the remaining tests before it can supply the model to South Korea, a South Korean delegate said.

The two sides came to the conclusion that the 'channel link' model, a kind of local area network equipment made by U.S. Computer Network Technology Corp., is not harmful to the South Korean telecommunications network.

Therefore, South Korea will exempt the model from "type approval" as the U.S. side requested. Seoul agreed to continue to exempt communications equipment from type approval under the condition that the equipment should be "no-harm-to-the network."

In addition, Korea Telecom will exclude "shrinkable tubes," made by U.S. Raychem Corp., from the list of objects whose purchase is subject to prior government approval, by classifying the tube as a general item.

A South Korean delegate said, "at first, the U.S. side insisted that the Trunked Radio Service (TRS) as well as Personal Communications Service (PCS), both of which belong to the wireless communications field, should be discussed bilaterally in the future. But we said that the wireless communications service is to be dealt with at the multilateral consultation through the World Trade Organization (WTO). The U.S. side agreed to that."

Yi Chong-son, director general of the International Cooperation Bureau of the Data and Communications Ministry, led the South Korean delegation while Christina Lund, U.S. Trade Representatives' director general for Korean affairs, headed the U.S. side.

Editorial: ROK Yields to U.S.

SK2703044695 Seoul HANGUK ILBO in Korean 26 Mar 95 p 3

[Editorial: "Unskillful Negotiations on Market Opening"]

[FBIS Translated Text] The ROK Government has accumulated enough experience and knowledge yet it is still very poor at negotiating with the United States on market opening. Following the inauguration of the World Trade Organization, various markets—from agriculture to service—will be open broadly and rapidly. The so-called borderless economy is an irrevocable international trend. The ROK Government should maximize its negotiating ability to achieve an advantageous result for the ROK economy in terms of speed, scale, and timing of the opening.

The question is whether the ROK Government's negotiating ability could cope with such a mission of the times. Regretfully, the answer is "no." In the case of bilateral negotiations on market opening, the ROK's negotiations are mainly with the United States, negotiations in which the ROK's opinions have rarely been accepted. The ROK's negotiating ability appears to be relatively weaker than that of Japan and other Asian countries.

The ROK is too intimidated by Super 301, which the United States is wielding like an heirloom sword. The United States is using this phobia. A good example is the exceptional market opening for U.S. AT&T's new telephone exchange.

According to the procurement regulations of Korea Telecom, a new exchange must undergo a series of tests, including the evaluation of the manufacturer and quality, experimental, and specification tests, in order to prove its suitability for the ROK's telecom environment. It takes about one to two years to complete the tests. However, during the ROK-U.S. telecommunications talks held in Washington on 22 and 23 March, the ROK Government decided to exempt AT&T from the series of quality reviews and grant the quality certificate to AT&T's new exchange 5ESS-2000 after only passing the quality test. Thus, AT&T can now join Korea Telecom's bidding for telephone exchanges.

AT&T applied for the test in October 1994, and normally, the test would have been completed by the end of this year or early next year. Thus, it would have been impossible for AT&T to participate in Korea Telecom's bidding scheduled for June this year. AT&T had its way by putting forward the U.S. Government.

AT&T's target is the digital mobile communication system (CDMA) market, which is estimated to be worth 3 trillion won including the expected purchase from two mobile telecommunications companies, Sinsegi Mobile Telecommunications and Korea Mobile Telecommunications. AT&T wants to sample the 5ESS-2000, which could be used as the core of their CDMA systems, and gain the upper hand in the competition.

What we fear is AT&T's encroachment into the domestic market. The ROK's four major telecommunications companies, Samsung Electronics, LG Information and Telecom, Daewoo Telecom, and Hanhwa Telecom are protesting, saying they would take legal action against Korea Telecom for its "special favoring" of AT&T.

It is unreasonable to insist on closing the market, but it is also unfair to allow special opening for a foreign company, yielding to pressure from a foreign government. The ROK Government should establish a reasonable, consistent, and balanced negotiating policy.

U.S., ROK Firms Plan To Rush to DPRK in May

SK2703034195 Seoul YONHAP in English 0225 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—Some 10 South Korean and U.S. companies are expected to rush to visit North Korea in May, if tensions over the implementation of the nuclear agreement with the communist country in Geneva last October are settled.

Sources close to the American Chamber of Commerce here (Amcham-Korea) said Monday that several U.S. businesses operating in South Korea postponed their plans to send a market survey mission to North Korea to May in view of the tensions with North Korea due to the controversy over the South Korean light-water nuclear reactors to be provided under the Geneva accord and the advent of the international cultural and sports festival slated for late April in Pyongyang, though they already obtained the State Department's approval of the plans and the Seoul government recently announced measures to step up economic cooperation with North Korea.

The U.S. Government gave approval to visit plans to North Korea for companies, including IBM Korea, Motorola Korea, General Motors Korea, Ford Korea, Hosong-Basf and Hewlett-Packard, late last year. At that time, the U.S. asked them to link their visit time frame to the progress of U.S.-North Korea negotiations on the issue of providing South Korean reactors to North Korea.

The American companies are not considering sending a mission to North Korea in April because the Pyongyang international festival would keep the North Koreans from fully cooperating in their missions' activities, the sources said.

So, they are considering sending a joint market survey mission to the North towards the end of May, one of the sources added.

And South Korean business groups are also scrambling to make inroads into the North Korean market as soon as the government gives them the go-ahead.

The Daewoo Group, which has already completed construction of three factories in Nampo, west of Pyongyang, under the government's permit issued in 1992, recently applied for the government's approval for equipping these factories and plans to send equipment, machines and technicians to the Nampo factories, as soon as it gets the green light from the government.

A Daewoo official said the plan would be implemented in May because the government has not yet given any guidelines regarding the export of such equipment to the North and because the North Koreans would be busy preparing for the festival in April.

The Samsung Group, which sent a high-level mission led by Samsung Electronics Co. Chairman Kang Chin-ku to the North in January and has since had working-level contacts with North Korea in Beijing, is considering applying for the government's permit to invest in North Korea.

It earlier planned to send a working-level feasibility study mission to the North in February but had to put off the plan to May in view of the Pyongyang festival and the tensions with North Korea over the South Korean reactor issue.

The LG Group is also promoting a plan to send a working-level mission to the North in May as a follow-up to the high-level mission sent late last year.

The working-level mission will include representatives of the small businesses wishing to do business in collaboration with the group in the North, including those in the leather and textile industries, business sources said.

DPRK, Korean-Americans To Meet on Textiles

SK2203054895 Seoul SEOUL SINMUN in Korean 22 Mar 95 p 16

[FBIS Translated Text] Officials of North Korea's clothing industry and Korean-American businessmen will hold a meeting in May in Shenzhen, China.

The Los Angeles Trade Office of the Korean Trade Promotion Corporation said on 21 March that on 9 March Unha General Trading Company (Director Ko Kye-sun), North Korea's largest general textile company, sent documents to the International Management Institute (Director Yu Wan-yong), a consulting firm in Los Angeles, the United States, specializing in economic cooperation with North Korea and proposed holding a meeting to discuss North Korea's production of clothes on commission.

In the document, Unha General Trading Company proposed that Director Ko Kye-sun and other North Korean officials and Korean- American businessmen hold a meeting in May in Shenzhen, China, to discuss joint venture and collaboration in the production of clothes.

This proposal is noteworthy because North Korea, instead of seeking to promote economic cooperation in communications, social infrastructural projects, and other large-scale projects, officially proposed production of clothes on commission, a more feasible area, to Korean-American businessmen.

The International Management Institute plans to compose its delegation of approximately 10 Korean-American clothes manufacturers, importers, and wholesalers. The institute has been holding meetings in New

York, Miami, Dallas, Chicago, and other places since 11 March to explain the proposed meeting in Shenzhen.

Unha General Trading Company, a company under the Trade Bureau of the North Korean Administration Council, specializes in production and exports of clothes and imports of raw materials and has 120 subsidiary companies.

DPRK Asks ROK Firms To Advertise at Festival

SK2503031295 Seoul YONHAP in English 0038 GMT 25 Mar 95

[FBIS Transcribed Text] Seoul, March 25 (YONHAP)—North Korea is indirectly asking South Korean firms to advertise their products at the Pyongyang festival slated for April 28-30, business sources said Saturday.

Pyongyang has approached South Korean businesses in a bid to solicit advertising contracts through the Uri International Advertising Co. in Los Angeles, an ethnic Korean advertising agent, according to the sources.

It was the Samsung Business Group that was first approached by the Uri about three weeks ago with an offer to erect billboards at four or five places including the Nungnado Stadium, where demonstrative matches by world-renowned champions including Japanese wrestler Anthonio Inoki will take place, and the Sunan Airport in Pyongyang.

Advertisement rates range from 30,000 to 3 million U.S. dollars with a signboard on stadium fences being charged 30,000 dollars, a billboard built at some selected venues 1 million to 2 million dollars and a year-long use of billboards erected at four or five venues 3 million dollars.

Business conglomerates have shown negative response to the proposal, while medium and small outdoor advertising firms are positive to it, the sources said.

Four outdoor advertising firms are reportedly interested in being permitted to erect signposts, neon signs or electric signboards, in addition to fence advertising at stadiums, in Pyongyang.

Chances 'Slim' for Advertisements

SK2503101095 Seoul YONHAP in English 0611 GMT 25 Mar 95

[FBIS Transcribed Text] Seoul, March 25 (YONHAP)—Chances are slim for South Korean firms to advertise their products at the Pyongyang festival slated for April 28-30, officials announced Saturday.

The erection of a billboard in Pyongyang, like all general inter-Korean business tieups, requires a three-stage administrative procedure which takes at least a month, according to government officials and business sources. The three stages comprises approval for contacts with North Korean nationals, licensing of cooperation project promoter, and approval for the cooperation project.

But no firm has submitted such an application to the National Unification Board as of Saturday. Even if one applies for such approvals Saturday and the application is processed smoothly, an enterprise would be able to raise a billboard in Pyongyang in June at the earliest, as an additional period of three to four weeks is required for the production of advertisements, business sources said.

Accordingly, North Korea may fail in its attempt to earn foreign exchange by soliciting publicity contracts from South Korean businesses on the occasion of the Pyongyang festival through its advertising agent in the United States, Uri International Advertising, according to the sources.

The Uri reportedly approached over 20 major South Korean enterprises including the Samsung, Hyundai, LG and Ssangyong Groups, offering that "only a small limited number of firms will be given the chance to erect billboards at the Pyongyang festival." Some firms conducted detailed negotiations on the offer, the sources said.

But those enterprises either ended the negotiations midway or totally ignored the proposal on grounds that little effect can be expected from the publicity, except for during the festival period.

In spite of such negative reactions from major business firms, a business source said, some advertising agents are engaged in publicity work claiming progress in their negotiations.

Chances of realizing the publicity project on the part of South Korean firms are virtually nil as the Pyongyang festival is only about a month away, a source said.

Family Repatriated to DPRK Defects to ROK

SK2703002095 Seoul KBS-1 Radio Network in Korean 2310 GMT 26 Mar 95

[FBIS Translated Text] [Anchor Yun Tok-su] Five members of a North Korean family who were repatriated from Japan in 1962 escaped from North Korea and defected to the ROK. They arrived at Kimpo airport this morning. The family reportedly escaped from North Korea in December 1994. Reporter Pak Tae-so is on the line from Kimpo airport.

[Pak Tae-so] This is Pak Tae-so.

[Yun] Who is the family who defected from North Korea?

[Pak] A family of five that was repatriated from Japan, and another North Korean who recently escaped from North Korea and defected to the ROK. The family repatriated from Japan includes O Su-yong, 61; his wife

Kim Cho-mi, 57; son Myong-son, 31; and granddaughters In-hwa, 4; and Su-hui, 2. They arrived at Kimpo Airport today through a third country. Another North Korean who defected with the family is Pak Chol-man, 28. He worked as an instructor of Hamhung Municipal Silk Industry Quarantine Station.

O Su-yong, a Japanese-Korean who was repatriated to North Korea from Japan at the age of 28 in February 1962, worked as the warehouse chief of the Sinuiju Cheha Metal Products Warehouse. Feeling he was deceived by North Korea's false propaganda, he thought he had to at least save his granddaughters from hunger and succeeded in escaping in December 1994.

Despite his status as an instructor, Pak Chol-man could not stand poverty and also looked for a chance to escape. He was able to escape with O's son Myong-son, who was his close friend during his time in military service.

The Agency for National Security Planning plans to hold a news conference soon about their escape and life in North Korea. This has been Pak Tae-so from Kimpo airport.

DLP Lawmaker Meets U.S. Senator Bob Dole

SK2403010695 Seoul YONHAP in English 0047 GMT 24 Mar 95

[FBIS Transcribed Text] Washington, March 23 (YONHAP)—Rep. Choe Hyong-u of the ruling Democratic Liberal Party [DLP] met with U.S. Senate Majority Leader Bob Dole (R-Kan.) Thursday [23 March] afternoon and exchanged views on mutual concerns, including the North Korean nuclear issue and ways to expand cooperation between South Korea and the United States.

During a meeting at Dole's office in the U.S. Congress, they shared the view that the present friendly relations between the two countries are satisfactory and that they must further develop the amicable relationship.

Choe, a former home minister, emphasized the necessity of a cooperative South Korea-U.S. stance toward the settlement of the North Korean nuclear problem. In response, dole said that South Korea's central role was essential in providing light-water nuclear reactors to North Korea.

Choe, charging that North Korea was trying to drive a wedge between Seoul and Washington, stressed that the United States should not fall prey to such North Korean tactics.

Dole was quoted by Choe as replying that the United States will firmly cope with any North Korean tactics to alienate South Korea in its approach toward the United States.

Choe will fly for Los Angeles Friday and is scheduled to meet with American futurist Alvin Toffler.

Japanese Parliamentary Delegation To Visit DPRK

SK2403065395 Seoul YONHAP in English 0606 GMT 24 Mar 95

[FBIS Transcribed Text] Tokyo, March 24 (YONHAP)—The Japanese ruling coalition parties have decided to dispatch to North Korea next Tuesday a lawmakers' delegation headed by former Vice President of the Liberal Democratic Party (LDP) Michio Watanabe.

The decision was reached Thursday night at a meeting of the secretaries general of the three coalition parties—Yoshiro Mori of the LDP, Wataru Kubo of the Social Democratic Party and Yukio Hatoyama of the New Party Sakigake.

They decided to send the mission to the communist country for three days after concluding that it is undesirable to further postpone the visit in order to find a clue to the problem of resuming normalization talks.

The secretaries general also agreed that the dispatch will take the form of each party sending its own delegation and that Watanabe will head the three teams as a combined leader.

The largest party of the coalition, the LDP, plans to organize its own team with Watanabe as the leader, to be joined by other lawmakers Kosuke Hori, Taro Asou and Hidenao Nakagawa, while the New Party Sakigake's team is to be headed by Secretary-general Hatoyama and include policy and research chief Naoto Suga.

The socialists are to select members of their delegation Friday, which is likely to be headed by Party Secretary General Kubo.

The three parties agreed to regard as "a historical fact" the 1990 tripartite declaration between Japan's Liberal Democratic and Social Democratic Parties and North Korea's ruling Workers' (Communist) Party, stipulating that Japan will compensate North Korea for "its losses" over the 45 years since the end of World War Two.

Prime Minister Tomiichi Murayama met Kubo at his official residence Thursday evening and told him, "the Social Democratic Party has exerted itself for diplomatic normalization between Japan and North Korea," and urged him to do his best for the sucesss of the legislators' visit to Pyongyang.

Japan Parties' Decision on DPRK Visit Analyzed

SK2603045495 Seoul KYONGHYANG SINMUN in Korean 25 Mar 95 p 5

[Article by Hwang U-yon from Tokyo: "The Background Behind the Japanese Coalition Parties' Decision To Send a Delegation to North Korea"]

[FBIS Translated Text] Negotiations for diplomatic normalization between North Korea and Japan broke off in

November 1992 with the argument of "North Korea's abduction of the Japanese woman Yi Un-hae." However, two years and four months later, normalization negotiations will enter a new phase in the wake of the Japanese coalition parties' decision to dispatch a delegation to Pyongyang to pave the way for the resumption of long-stalled talks on rapprochement with North Korea. The decision was made at a meeting of the secretaries general the three coalition parties on 24 March.

What calls the attention to the Japanese coalition parties' decision on the three-day Pyongyang visit, which will begin on 28 March, is that the Liberal Democratic Party [LDP] is playing the role of Japan's window for the talks with North Korea instead of the Social Democratic Party of Korea [SDP] and that the Japanese Foreign Ministry is also actively backing this.

During the meeting of the secretaries general of the three coalition parties, the three parties settled the dispute after confirming that the mission will refrain from touching on a "1990 agreement by the Workers Party of Korea [WPK], the LDP, and the SDP" on terms of rapprochement with which the SDP attempted to abrogate the visit which was originally planned to take place on 16 March. The three coalition parties, including the Sakigake Party, also agreed to work out a new agreement between the coalition and the WPK.

Prior to this, on 23 March, senior policy specialists from the three parties agreed that an agreement between the three-party coalition to be signed with the WPK will include the following points: the two sides will relinquish the unfortunate past between the two countries and will actively work to normalize bilateral relations at an early date; there cannot be preconditions for the resumption of dialogue and the two sides should earnestly strive for the promotion of bilateral relations; the talks between the two countries should be carried out independently; the ruling parties of the two countries should urge their respective governments to work to realize the early establishment of diplomatic relations; and the two sides should actively promote the ninth intergovernmental negotiations.

In another development, regarding the LDP's leading role in the Pyongyang visit, the SDP feels uneasy about the socialist regime's betrayal by maintaining that "it was the same case when China chose the LDP over the SDP in the 1972 diplomatic normalization."

This stems from the common interest shared by North Korea, the Japanese Foreign Ministry, and the LDP.

North Korea, which hopes to normalize ties with Japan after it does so with the United States, may have wanted to deal with the LDP rather than the SDP whose power is diminishing.

When Kato Koichi, chairman of the LDP Political Coordination Fraternity, approached the Japanese Foreign Ministry about the delegation's visit to Pyongyang, the Japanese Foreign Ministry believed that it is better to have the LDP lead the initiative rather than the SDP, and, since then, North Korea desk officer Kawajima Hiroshi had frequent contacts with Koichi. In addition, on 17 March, Korea desk officer Kawajima visited the ROK and asked for the ROK Government's understanding.

The LDP may have also wanted to have its own "dialogue channel" with North Korea.

Presumably, normalization negotiations between North Korea and Japan will begin soon, however, they will experience rough sailing over the compensation issue once full-stage negotiations begin between the two governments.

State Minister Meets Japanese Political Leaders

SK2703104695 Seoul YONHAP in English 1031 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 (YONHAP)—South Korea Minister of State Kim Yun-hwan voiced concern here Monday [27 March] over the reported plan of Japan to supply rice to North Korea now suffering from acute food shortage. While meeting with former Japanese Prime Minister Yasuhiro Nakasone, Minister Kim said he cannot agree with any shipment of rice to North Korea by Japan at this time when North Korea does not accept South Korea's offer of rice.

Kim, chairman of the Korea-Japan Parliament Union, is now on a tour here to meet Japanese political leaders in connection with the issue of no-war resolution.

Nakasone said that Japan supports South Korea's position over the light-water reactors issue.

"I believe no concession will be made to North Korea as South Korea, Japan and the United States remain united over the matter," he said.

Japan To Help Koreans in Sakhalin Relocate

SK2503100495 Seoul THE KOREA HERALD in English 25 Mar 95 p 2

[FBIS Transcribed Text] The Japanese Government has secured a budget of 2.72 billion yen to help Koreans in the Sakhalin Islands move to Korea for permanent resettlement, the Korean Foreign Ministry said yesterday. The money will be used to build 500 apartments for those Koreans who were mobilized by the colonial Japanese Government during the World War II, the ministry said. It was the second time the Japanese Government set aside funds for Korean resettlement after last year's 498 million yen.

Japan Urged To Recognize 'Imperialistic History'

OW2403095095 Tokyo KYODO in English 0728 GMT 24 Mar 95

[FBIS Transcribed Text] Seoul, March 24 KYODO—A South Korean lawmaker heading a group promoting ties with Japanese legislators said Friday [24 March] Japan should clearly settle the issue of its past imperialistic history.

Kim Yun-hwan, head of the Korea-Japan Parliamentarians League, made the remark in a speech at an international symposium on Seoul-Tokyo relations in the 21st century at a Seoul hotel.

"South Korea and Japan can move together toward the 21st century in a future-oriented partnership only when Japan accurately recognizes its past history and then restores trust after it," Kim said.

He made the remark in reference to a controversy in Japan on whether or not the Japanese Diet should adopt a war-renouncing resolution and express an apology to Asian countries Japan invaded before and during World War II.

Kim said the issue of Japan's past colonial rule has not been settled in the minds of South Korean people and urged Japan not to ignore the fact that "those Southeast Asian countries dominated by Japan's past imperialism are still wary of a possible resurgence of Japanese militarism."

Japan's ruling coalition agreed last year to pass a Diet resolution to commemorate the 50th anniversary to mark the end of World War II.

But Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and its coalition partner Liberal Democratic Party (LDP) have split over whether the resolution should include some expression of apology to Asian countries.

A growing number of conservative LDP members as well as some members of the opposition Shinshinto (New Frontier Party) are against adopting a resolution.

Police Increase Surveillance of Religious Cults

SK2503100295 Seoul THE KOREA HERALD in English 25 Mar 95 p 3

[FBIS Transcribed Text] Police have strengthened surveillance over local religious cults in a move to head off the infiltration of Aum Shinrikyo, a Japanese group under growing suspicion in the Tokyo subway nerve gas attack.

The National Police Agency issued instructions yesterday calling for intensified information-gathering activities to be on guard against the Japanese religious sect.

The move is the latest of a number of steps taken by local security authorities since the Tokyo subway gas attack, which killed 10 and injured nearly 5,000. There have been rumors that the Japanese cult has already entered Korea, but a police spokesman said they could not be confirmed.

"We have not found any traces of the infiltration here by the Japanese cult," he said. "However, we are stepping our watch over local religious sects."

Most closely scrutinized will be groups in Pusan and adjacent areas, which could have easier access to Japanese cults than other regions, because of their geological proximity, he said.

"Police throughout the nation have been instructed to gather information to find out if there are any local religious groups which are similar to the Japanese cult in doctrines and behavior," he added.

According to foreign news reports, Aum Shinrikyo has followers in many countries of the world, including the United States and Russia.

Eight Japanese religions are active here, with an estimated total of 30,000 followers, according to police.

Following the gas attack on the Tokyo subway, local security authorities have taken a number of precautionary steps, including intensified checks on subways, bus terminals, airports, shopping centers and other crowded public places.

Antichemical warfare units have been placed on alert, and the central and provincial administrations are considering setting up special task forces.

Other measures include a nationwide civil defense drill to be held next month for possible biochemical attacks.

Deng Xiaoping's Daughter Arrives in Seoul

SK2703100695 Seoul YONHAP in English 0724 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—Deng Nan, the second daughter of paramount Chinese leader Deng Xiaoping, arrived in Seoul Monday [27 March] aboard an Air China Flight.

During her first visit to South Korea in her capacity as vice minister of the State Science and Technology Commission, the 51-year-old Deng is scheduled to visit the Information and Communication Ministry Tuesday to discuss ways to promote bilateral exchanges and cooperation in science and technology. She is also slated to deliver a lecture at the Silla Hotel in downtown Seoul on "China's Science and Technology Oriented Toward the 21st Century."

Asked about her father's health condition at Kimpo International Airport, she replied, "I'll disclose it at a separate press conference."

Meanwhile, Chinese Communist Party International Liaison Department head Li Shuzheng and her party also arrived in Seoul aboard the same flight.

Street Vendors, Students Stage Demonstration

SK2503144995 Seoul KBS-1 Television Network in Korean 1230 GMT 25 Mar 95

[FBIS Translated Text] A violent demonstration took place in Seoul on 25 March during the funeral for Mr.

Choe Chong-hwan, who died from self-immolation in protest of the ward office's crackdown on street vendors.

During the funeral for Mr. Choe Chong-hwan, a physically handicapped street vendor who died from self-immolation, a violent demonstration took place in Seoul, which has not been seen for quite some time.

Some 1,000 street vendors and students assembled at Yonsei University and held a meeting to denounce the excessive crackdown on street vendors. After the meeting, around 1500 [0600 GMT], they attempted to take to the streets carrying a picture of Mr. Choe.

The police stopped them and the demonstrators fired Molotov cocktails. Tear gas fired by the police covered the Sinchon area. During this incident, about a dozen riot control police and students were injured and traffic in the area was severely congested.

The demonstration began in the morning. At Kangnam Hospital in Seoul at 0900, some 200 handicapped persons from the funeral committee were stopped by the police as they were heading for the site of the funeral ceremony at Yonsei University in a bus carrying the body of Mr. Choe. In protest they violently resisted by burning the hospital's garbage truck.

After this demonstration, two of the street vendors climbed onto an arch of the Han River Bridge and denounced the government's crackdown on street vendors.

Amid this confrontation, the body of Mr. Choe Chong-hwan, who died from self-immolation on 8 March in protest of the ward office's crackdown on street vendors, was buried in the Catholic tomb park in Yongin, Kyonggi Province.

Government To Ease Student Travel Restrictions

SK2703100895 Seoul YONHAP in English 0750 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—Restrictions on college and high-school students' overseas trips of less than two months will be greatly eased.

The Military Manpower Administration (MMA) said Monday [27 March] that college or high-school students, aged 18 or over, can embark on overseas trips for up to two months with their school head's recommendation, regardless of their trip purpose, starting April 1.

At present, they can only go on an overseas trip for educational purposes, with a recommendation from their college dean or a relevant local education superintendent.

An MMA official said the students can now leave the country on a foreign tour of less than two months at any time of the year. Up to now, such tours have been limited to summer and winter vacation periods.

President Comments on Local Elections

SK2503122095 Seoul YONHAP in English 0720 GMT 25 Mar 95

[FBIS Transcribed Text] Taejon, March 25 (YONHAP)—President Kim Yong-sam vowed Saturday to do all he can to make the upcoming local elections fair and just.

During his tour of Taejon and its adjacent South Chungchong Province area, Kim said the June 27 elections are to choose able administrative workers instead of politicians.

"We all should strive in concert to make the local elections fair and successful, mindful of the importance to select those who can best serve their hometowns," the president said.

After receiving reports on the Taejon city and South Chungchong Province administrations at the Korea Science Foundation near Taedok, President Kim said he would see to it that the Taejon portion of the Seoul-Pusan high-speed railroad would be put underground as Taejon area people wish.

The president also promised positive support so that the west coast expressway could be completed at an early date.

President Chairs Economic Ministers' Meeting

SK2703095595 Seoul YONHAP in English 0554 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—President Kim Yong-sam presided over an expanded economic ministers' meeting at Chongwadae [presidential offices] Monday [27 March] morning, which reviewed major pending economic issues.

Stressing the importance of economic diplomacy in the wake of his European tour earlier this month, President Kim urged the administration "to exert its utmost so that our economy may achieve continuous growth and development on the basis of stability."

With regard to a recent series of bankruptcies, including that of the Duksan Group, the chief executive reportedly instructed related ministries to take positive steps to support small and medium-sized industries. He also called for a fundamental improvement of the managerial status of domestic enterprises with the influence of the strong yen.

Kim instructed the ministers to formulate policies to stabilize the economy in view of possible economic overheating caused by excessive consumption of some commodities and the forthcoming local elections, according to Chongwadae officials.

He urged the economic ministers to see to it that the forthcoming local elections do not stimulate prices.

The meeting earlier heard reports from Deputy Prime Minister and Finance and Economy Minister Hong Chae-hyong, Agriculture, Forestry and Fisheries Minister Choe In-ki, International Trade and Industry Minister Pak Chae-yun, Data and Communications Minister Kyong Sang-hyon and Environment Minister Kim Chung-wi.

The gathering also listened to reports from Health and Welfare Minister So Sang-mok, Labor Minister Yi Hyong-ku, Construction and Transportation Minister Oh Myong and Science and Technology Minister Chong Kun-mo.

Following the expanded Economic Ministers' meeting, the head of state hosted a luncheon for the heads of the five business organizations at the presidential office to ask for their cooperation in maintaining stability in management and wages and ensuring labor-management cooperation.

Present for the occasion were Federation of Korean Industries Chairman Choe Chong-hyon, Korea Chamber of Commerce and Industry President Kim Sang-ha, Korean employers' Federation President Yi Tong-chan, Korean Foreign Trade Association President Ku Pyong-hoe and Korean Federation of Small Businesses President Pak Sang-hui.

The luncheon for the nation's business leaders was the first of its kind since August 1983 and draws attention as a sign of "conciliation" between the administration and the business world.

Overseas Information Officers' Meeting Opens

SK2703045195 Seoul YONHAP in English 0438 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—The Information Ministry opened Monday a six-day meeting of public affairs attaches assigned abroad to discuss an overseas public information strategy in tune with the administration's globalization drive.

In his opening remarks, Information Minister O In-hwan noted that the country's image has been elevated due to reform and globalization efforts persistently pursued in the past two years.

"To survive in the world where fierce competition is underway to publicize each country and its national interests, we must effectively cope with it by consolidating our publicity capabilities on a pan-national basis," O emphasized.

In regard to the promotion of the globalization drive, the minister called upon 31 participants to "contribute toward the globalization efforts by collecting the latest information in advanced countries, in addition to publicizing abroad the excellence of our culture and government policies."

Government Seeking To Increase Development Aid

SK2603105495 Seoul YONHAP in English 1045 GMT 26 Mar 95

[FBIS Transcribed Text] Seoul, March 26 (YONHAP)—The government decided to seek ways to increase the volume of the official development aid (ODA) for least developed among developing countries (LDDC) according to its plan to raise its international contributions on the occasion of the country's projected entry into the Organization for Economic Cooperation and Development (OECD).

"The government is preparing for methods to expand by stages the ODA amount from current 0.06 percent of the country's gross national product (GNP) to 0.3 percent, an advanced nations' level, a government official said. He backgrounded that the international community is increasingly demanding South Korea, as a 12th largest trading nation in the world, to increase its foreign aid.

"Considering the country's imminent participation in the OECD, such ministries as Foreign Ministry and Finance-Economy Ministry are negotiating on ways to work out a next year's expanded ODA plan, and to draw up an additional budget for that," the official said.

Policy Causes 'Cash Squeeze' for Small Companies

SK2503100095 Seoul THE KOREA HERALD in English 25 Mar 95 p 8

[FBIS Transcribed Text] Small- and medium-size domestic companies are locked in a severe cash squeeze which has resulted in the bankruptcies of several mid-size firms recently.

Their financial predicament, which belies of the current boom of the economy, is attributed to the government's industrial and financial policy favorable only to large businesses.

In just less than one month, about a dozen medium-size firms have gone bust or been placed under court receivership because of deep financial woes, saddling banks and non-bank financial institutions with huge bad loans. Several others, mostly construction companies, are also rumored to be in deep financial trouble.

Burned by the recent rash of bankruptcies, financial organizations are further tightening their purse strings, making it more difficult for small and medium enterprises to borrow money.

The chain reaction started with the bankruptcy of a Kwangju-based medium-size business group late last month, which came as a great jolt to the regional economy and the financial industry.

Seven subsidiaries of the Duksan Business Group became insolvent Feb. 27-28, dealing a blow to its several-hundred suppliers and inflicting doubtable loans of over 500 billion won on banks and non- bank financial institutions.

Samdo Corp., an apparel maker, filed an application for court receivership Feb. 27 because of an alleged financial crunch.

A department store based in Taegu went bust days later and a maker of prefabricated metal furniture became insolvent Tuesday.

In the latest development, Youone Construction Co., which ranked 33rd in construction order winnings last year, faces the fate of being taken over by a third party because of a severe cash shortage.

The Korea First Bank, Youone's main creditor bank, said Wednesday that it is pushing ahead with having another company acquire Youone in a bid to revive the debt-stricken firm. Youone owes about 390 billion won in loans and payment guarantees to the bank and its borrowing from financial institutions allegedly totals some 590 billion won.

Analysts primarily blames the firms' bankruptcies on their excessive expansion and mismanagement but they argue that the root cause is the government's industrial and financial policies oriented toward big businesses.

Such policies make large companies awash in money, while small and medium-size firms are suffering from severe shortages of funds, they point out.

Fearful of the possible overheating of the economy which posted a roaring 8.4 percent growth last year, the government has announced on several occasions that top priority of its macroeconomic policy will be placed on stability rather than growth.

To that end, the government has pledged to keep the growth of money supply as low as possible and collect more taxes than its spending.

The result is, critics say, that small and medium-size companies have been landed in great financial difficulties, while large companies which recorded big profits last year on the back of brisk exports are abundant with cash. In sharp contrast to the bankruptcies of the mid-size firms, the nation's 200 large manufacturing firms and distributors have recently announced that they will pour $46.1 billion into capacity expansion this year, up 51 percent from the previous year.

Large businesses usually enjoy easy access to borrowing from banks and other financial institutions, but small and medium enterprises without enough security find it extremely hard to take out loans.

Adding fuel to the credit crunch facing small and medium-sized firm is the reluctance of banks and non-bank financial institutions to lend money to them in the wake of Duksan's bankruptcy.

"Worried about possible defaults, financial institutions are just unwilling to make loans or provide payment guarantees to small and medium firms which usually have little collateral," an official with the Bank of Seoul says.

The outcome is a proverbial "poverty-amid-a-wealth" emerging in the money market, which means that small and medium-sized firms are experiencing great difficulties raising funds despite good money- market conditions, market sources say. Short-term interest rates remain at a stable 14 percent range and liquidity is ample in the market, they add.

The government, meanwhile, has been under fire for its hands-off attitude toward the recent bankruptcies. Regarding the financial crisis of Youone Construction Co., the government has made it clear that it will not intervene in the case and let related parties solve the matter.

Critics lambaste the government for sitting on the sidelines and demand that it should come up with a fundamental solution.

Under the current business environment and industrial policies, small and medium-sized firms can't help going bankrupt owing to a constant lack of funds, they argue, adding that the government should create a climate where small and medium enterprises can compete with large businesses on an equal footing.

Government Seeks Direct Foreign Investment

SK2603033895 Seoul THE KOREA HERALD in English 26 Mar 95 p 8

[FBIS Transcribed Text] Boosted by the strong value of the Japanese yen, the Korean government has been actively pushing ahead with attracting direct investment from foreign countries, especially from Japan.

Under the idea that many Japanese enterprises are seeking to move their production bases in Japan to other areas in neighboring countries, the Ministry of Trade, Industry and Energy (MOTIE) are mulling over various means to induce their direct investment in Korea.

Alarmed by the speed pace of the yen's appreciation, a growing number of Japanese enterprises, including electric-electronics, machinery and automobile makers, are reportedly considering moving their plants in Japan to South Korea, China and other Asian countries to produce main parts as well as finished goods there by making the best use of comparatively low prices of raw materials and cheap labor costs.

To attract more Japanese investments in Korea, the MOTIE will dispatch a large-scale investment promotion team, comprising senior government officials and business leaders, to Japan in May, a senior MOTIE official said yesterday.

The MOTIE is also moving to establish an office in Tokyo where Japanese investors can easily get all sorts of information about the favorable investment climate in South Korea, including tax favors and ,ow prices of factory sites, the official said on condition of anonymity.

At the same time, the MOTIE will operate a center exclusively for foreign investors in Seoul to help them create new enterprises and become acquainted with the investment environment in Korea.

As a way of accelerating foreign investment in Korea, the MOTIE is planning to sell factory sites located at an industrial estate in Pyong-tong, Kwangju City, to foreign investors at cheap prices of 260,000-270,0000 won (some $333) per pyong (one pyong equals 3.3 sq. meters) The Pyongdong Industrial Estate exclusively for foreign investors here will open beginning early July.

The MOTIE has tentatively set the rental charges of the factory sites at 3,500 won ($4.5) per pyong. It has a plan also to relieve foreign investors from the payment of the factory sites rent for the first three years after the leasing contract.

As an initial step, the MOTIE projects to rent 100,000 pyong or 50 percent of the 200,000-pyong industrial estate to foreign investors and increase the rental portion to 70 percent of the total space in the near future.

It will also consider allowing all foreign investors operating their factories in the Pymongdong Industrial Estate to introduce commercial loans freely, the official said. At present, only those who invest in the domestic high-tech industries are permitted to induce commercial loans.

These actions to attract more foreign investment in Korea will go into effect after the MOTIE has finished negotiations with relevant ministries, including the Ministry of Finance and Economy and the Ministry of Construction and Transportation, said the official.

With an aim to prompt Japanese enterprises to make active investments in Korea, the MOTIE is also planning to establish an industrial estate exclusively for Japanese investors in Chonan in South Chungchong Province, he said.

Up until now, however, there have been no Japanese enterprises which have decided to make direct investment in Korea, even though some, including Sumitomo, pay keen interest in the investment.

One of the main reasons behind the reluctant attitude of Japanese investors is a fear for possible labor-management disputes here, the official said, adding that most Japanese entrepreneurs bear in mind the fierce labor strikes occurred in Korea in the late 1980s.

Accordingly, the MOTIE will make all-out efforts to let Japanese investors know the changing labor-management relations in Korea, citing the 1994 figure which indicates that a mere 20 out of the 1,500 foreign business concerns which operate business in Korea suffered labor disputes, he said.

Exports Cause 2.9% Increase in 1994 GDP

SK2603034395 Seoul THE KOREA HERALD in English 26 Mar 95 p 8

[FBIS Transcribed Text] Exports pushed up the nation's gross domestic product (GDP) growth by 2.9 percent in 1994, contributing to a 34.5 percent portion of the 1994 GDP growth estimate of 8.4 percent.

The comparable contribution portion stood at 22.4 percent in 1993, 13.7 percent in 1992 and 14.3 percent in 1991, indicating that the Korean economy's reliance on the export performance has been deepened, the Korea Foreign Trade Association (KFTA) said yesterday.

In its report on the effects of the nation's exports on the domestic industry, the KFTA said the exports and export-induced consumption and investment enabled the Korean economy to grow by 4.4 percent last year.

Pure foreign exchange incomes stemming from exports, which excluded the expenses for the imports of raw materials from the total export amounts, came to $64.6 billion last year, accounting for 17.1 percent of the nation's estimated 1994 GDP standing at $376.9 billion.

The average ratio of the pure foreign exchange income for exported commodities stood at 67.3 percent of the export amounts in 1994, down from 67.8 percent in 1993 and 67.4 percent in 1992.

The lowered ratio was largely ascribable to the brisk exports of heavy and chemical products whose pure foreign exchange earnings were relatively lower than other industrial goods, a KFTA spokesman said.

Exports of heavy and chemical products accounted for 68.7 percent of the nation's total commodity exports in 1994, up 2.6 percentage points from the 66.1 percent recorded in 1993.

Meanwhile, exports generated new employment for 3,170,000 persons in Korea in 1994, representing 15.8 percent of the total newly employed in the same year, the KFTA said.

The export activities caused manufacturing companies to recruit 2,020,000 workers last year, accounting for 42.9 percent of the entire new employment in the manufacturing sector.

Every exports worth $1 million enabled Korean enterprises to employ 33 persons in 1994, down 9 percent from the 36 persons marked in 1993.

Rising prices of export goods and decreasing exports of labor-intensive light industrial products were the main reasons of the drop in the number of the export-induced employment.

Businesses Allowed Access to Foreign Capital

SK2603032995 Seoul THE KOREA HERALD in English 26 Mar 95 p 8

[FBIS Transcribed Text] Starting June, domestic businesses will be allowed access to low-interest foreign capital to finance their plant and equipment purchases after a nine-year hiatus. The government has decided to resume the borrowing of commercial loans from abroad and introduce $1 billion this year, the Ministry of Finance and Economy said yesterday.

Commercial loans refer to borrowing from abroad in excess of $1 million and with a maturity of three years or longer. Interest on such loans are several percentage points lower than those available on the domestic market.

Of the total, $800 million will be reserved for small- and medium-size companies, while the remainder will go to large businesses and foreign corporations investing in high technology on the Korean soil, the ministry said.

The government will permit domestic banks to provide payment guarantees for small and medium enterprises with low international credit ratings, it said.

As for big companies, only those who are participating in government-initiated infrastructure projects will be eligible for commercial loans.

The ministry has yet to determine which hi-tech fields a foreign company will invest in to gain access to the loans.

It plans to work out a set of standards for operating commercial loans by the end of this month, a ministry official said. The ministry will receive applications from corporations beginning May and give permission to applicants by the end of May, he said.

The decision, made at a ministry-ruling party meeting Friday, ends the ban on commercial loans which has been imposed on domestic businesses since late 1986. The reason for the ban was that commercial loans would increase the country's money supply and thus make monetary control more difficult.

Access to commercial loans was allowed to only two state-run corporations, Pohang Iron & Steel Co. and the Korea Electric Power Corp., which borrowed foreign capital of $600 million and $250 million between 1987 and 1992, respectively.

Late last year, however, the government decided to permit domestic businesses to take out commercial loans from this year on condition that the money be used only for capital investment.

The policy change was made in line with the government's sweeping foreign exchange reform program that will be carried out in three states—in 1995, 1996-97 and 1998-99.

The ministry originally planned to allocate the bulk of commercial loans to be introduced this year to companies participating in social overhead capital projects and firms engaging in high technology. But the ministry changed its plan and will set aside 80 percent of this year's commercial loans for small- and medium-size companies to ease a severe cash shortage facing them, the ministry official said.

Heavy Machinery Industries Advance Into PRC

SK2403005495 Seoul THE KOREA TIMES in English 24 Mar 95 p 8

[FBIS Transcribed Text] Korean heavy machinery companies are charging into the Chinese and Southeast Asian market, taking advantage of the appreciation of the Japanese yen to establish a firm foothold in the lucrative market.

On top of increasing the number of distribution outlets, industry sources said, the companies are determined to establish a firm image for their products so that they can continue their domination should the yen lose value.

The sources said companies like Samsung and Daewoo Heavy Industries have in fact increased their sales targets in the region by 40-80 percent in anticipation of increasing demand for their products.

Daewoo, for instance, is focusing on Vietnam and Indonesia and other Southeast Asian nations, increasing its number of distribution outlets from 50 to 70 and setting up new operations in Malaysia and Singapore.

Daewoo officials said they are also expanding their part sand components distribution network to enhance after service and repair capabilities. "We are currently negotiating a contract with Malaysian company for the supply of 74 million dollars worth of K-200 armored vehicles," one official said.

He went on to say that his company has increased the regional sales target for this year to 167 million dollars, 86.6 percent higher than last year's 89 million dollars.

Daewoo is also reportedly studying the possibility of establishing joint ventures with local companies for the distribution of a wide range of products including excavators and diesel engines.

As for Samsung, which posted sales of 560 million dollars worth of ships and heavy machinery in Southeast Asia and China last year, it is shooting for a 42.2 percent increase to 720 million dollars this year.

One Samsung official said, "What we are hoping to do is build our image in this part of the world so that we can compete with Japanese companies on an equal footing even after they region their competitiveness."

Meanwhile, the Korea Association of Machinery Industries (KOAMI) has been putting together a marketing mission comprising small and medium-size companies to help them get into the Southeast Asian region.

Exports of Computers Suffer 'Drastic Drop'

SK2503100395 Seoul THE KOREA HERALD in English 25 Mar 95 p 8

[FBIS Transcribed Text] South Korean personal computer (PC) makers are increasingly losing international competitiveness. Domestic sales of South Korean-made PCs have constantly increased in recent years, but their exports have suffered a drastic drop.

Domestic PC sales, which stood at 685,000 units in 1990, increased to 750,000 units in 1991, 911,000 units in 1992, 1.29 million units in 1993, and 1.5 million units last year.

In a marked contrast, exports of domestically made PCs have shrunk more than 75 percent during the corresponding period.

The nation's PC exports were tallied at 2.09 million units in 1990, 1.63 million units in 1991, 840,000 units in 1992, 685,000 units in 1993, and 510,000 units in 1994. Last year's exports represent less than a fourth of 1990's record.

South Korean PC makers are described as increasingly lagging behind their rivals in both developing and developed countries in terms of price and quality.

A Seoul analyst, who requested anonymity, compared Korean-made PC products to a kind of "sandwich," saying that they are drastically losing.

"PCs produced by South Korean companies have no price competitiveness over Taiwan's products," the analyst said. Furthermore, they are no match for the U.S.- or Japanese-made PCs in terms of quality and performance, he said.

Export price of domestically made 486-DX model, for instance, is $950 to $1,000 a unit, while a similar product produced by Taiwan sells for $800 to $850 a unit.

"The nation's PC makers have been widely negligent in R&D efforts and brand promotion. Instead of exerting efforts to exploit export markets, they have pushed to grab a bigger share of domestic PC market so far," the analyst noted.

PC is a basic infrastructure of the telecom and information industry. Some drastic countermeasures are urgent, he stressed.

Six Companies To Go Public 22, 23 May

SK2603032195 Seoul THE KOREA HERALD in English 26 Mar 95 p 8

[FBIS Transcribed Text] Seoul City Gas Co. and five other companies are going public through public subscription May 22 to 23, the Securities Supervisory Board (SSB) announced yesterday.

The five companies going public are Shinwoo Co., ENEX Co., Hankuk Carbon Co., Hwa-Sung Electronics Co. and KIC Ltd.

The total initial public offerings this time add up to 62.93 billion won. Leading the pack with 30 billion won and 11.2 billion won, respectively, in public offering are Seoul City Gas and Shinwoo, trailed by ENEX with 7.2 billion won, Hankuk Carbon with 6.8 billion won, Hwa-Sung Electronics with 4.48 billion won and KIC with 3.25 billion won.

According to the SSB, their issuing prices are expected to range from 8,500 won per share for Hwa-Sung Electronics and 10,000 won for Shinwoo to 12,500 won for KIC and ENEX to 18,000 won for Hankuk Carbon and 19,000 won for Seoul City Gas.

The Securities and Exchange Commission plans to examine their red herrings, which are written documents relating to new securities offerings that delineate their proposed business plans or the data relevant to existing business plans, April 28 and list their shares on the bourse July 5.

Seoul City Gas, with a 18.5 billion won capitalization, rang up 4.7 billion won in net earnings on 204.3 billion of sales last year. Shinwoo, leather products maker, posted net earnings of 4.7 billion won on 109.7 billion won sales and 13 billion won in net capital.

With a 6.7 billion won capitalization, furniture and kitchen appliances maker ENEX netted 4.4 billion won on sales of 86.6 billion. Hankuk Carbon, with 3.9 billion won in net capital, produces carbon fiber and earned 4.1 billion won on 39.8 billion won in sales.

With 5.3 billion won in capital, Hwa-Sung Electronics, audio, video and communications equipment maker, made 1.6 billion won in net profits on sales of 40.1 billion won. KIC, fabricated metal products maker, posted 2.4 billion won on 32 billion won in sales and the company is capitalized at 3 billion won.

Burma

Karenni Party Denies Surrendering to SLORC

BK2403070095 Bangkok THE NATION in English 24 Mar 95 p A3

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Only one day after the Burmese junta declared that the Karenni National Progressive Party (KNPP) had surrendered, the armed ethnic group yesterday released a statement playing down the claim, saying that both sides had only agreed on a ceasefire.

The statement, which is dated March 10, three days after the group finalized the last round of talks with the ruling State Law and Order Restoration Council (Slorc), said the KNPP had reached a ceasefire agreement with the Slorc on March 7.

It also declared the KNPP's intention to carry on and achieve its six political objectives, including the democratic rights of the Karenni people and the freedom of the Karenni State.

"The ceasefire agreement between the Karenni National Progressive Party and Slorc having been reached, the Karenni government now sees it as its duty to implement the six objectives and will steadfastly do its utmost to realize them," the statement read.

"The fact that the Karenni National Progressive Party has agreed to the ceasefire with Slorc does not mean that it has abandoned its fundamental principles. The Karenni National Progressive Party continues to uphold its political objectives," it added.

While the statement did not make clear whether the KNPP is still demanding the independence of the Karenni State, "the guarantee of freedom for the Karenni", called for in the document, is seen by Burma analysts both at the border and in Bangkok as an indication that the KNPP has not changed its position.

In the statement, the group said it would continue to work for "the safeguarding of the interests of the Karenni people and the guarantee of their democratic rights and freedom, and the promotion and maintenance of the national culture, customs and languages of the Karenni people and the guarantee of freedom for the Karenni".

For decades, the KNPP, a small armed ethnic movement which has been active along the Thai-Burmese opposite Mae Hong Son province, has been fighting for the independence and sovereignty of the Karenni State, arguing that the land has always existed as a separate independent state even during the time of British colonial rule.

A KNPP official, who was contacted yesterday, declined to clarify the statement, saying in every aspect the document spoke for itself. However, the official, who asked not to be identified, reiterated that the KNPP has not surrendered nor laid down its arms as claimed by the Slorc.

Several Burma analysts, who are familiar with border affairs, said in separate interviews yesterday that the contradiction between the Slorc announcement and the KNPP statement indicates that some misunderstandings or disagreements over the nature of peace agreement between the two parties still exist.

They said they believed the KNPP, like the 13 other ethnic groups which have called a truce with Rangoon, would never surrender or hand over their arms to the Slorc unless they are guaranteed certain autonomous rights, ethnic rights and self-determination for their people.

The official Burmese media announced on Wednesday that around 7,000 KNPP forces had surrendered to the Slorc at a ceremony held on Tuesday in the Karenni state capital of Loikaw.

It added that the Karenni troops also handed over almost 9,000 weapons including mortars, rifles, machine guns and automatic rifles, to Maj Brig Gen Maung Kyi, the commander of the Burmese Army's Regional Control Command.

The ceremony was attended by the powerful Slorc leader Lt Gen Khin Nyunt who has initiated ceasefire negotiations with a dozen armed ethnic guerillas in Kachin and Shan states. The nine-member KNPP delegation at the ceremony was led by its vice chairman Khu Hte Buphe.

The KNPP is the 14th armed ethnic group to strike a ceasefire deal with the Slorc, leaving only the Karen National Union and the New Mon State Party yet to finalize or enter into peace talks with Rangoon.

Mon Rebels To Decide on Talks With SLORC

BK2403162095 Bangkok BANGKOK POST in English 24 Mar 95 p 10

[FBIS Transcribed Text] The Mon ethnic rebel group is expected to decide next week whether to hold truce negotiations with the Burmese junta, a Mon rebel source said yesterday.

The New Mon State Party (NMSP)'s 30-member executive central committee is currently holding an extraordinary meeting at the NMSP headquarters inside Burma opposite Kanchanaburi Province.

The executive central committee meeting, chaired by NMSP president Nai Shwe Kyin, will decide on several crucial matters including possible ceasefire negotiations with the State Law and Order Restoration Council (SLORC) and NMSP policy towards a natural gas pipeline construction, which will partly be built through Mon-occupied areas.

If the meeting decided to enter ceasefire talks with the SLORC, the NMSP would then appoint delegates.

Concerning the natural gas pipeline, the NMSP reportedly wants to talk with French oil company Total or its representatives in charge of the gas pipeline project to settle some problems.

The source said if it could not reach any agreement with the company, the NMSP might resort to armed harassment against the construction.

A ground survey for the pipeline construction has been temporarily suspended after Karen rebels launched an attack early this month at Kanbauk village in which five workers were killed and 11 others wounded.

Burmese forces are reportedly building more barracks along the proposed route of the pipeline for security forces to cope with further possible attacks.

SLORC Said To Launch Air Strike Against Khun Sa

BK2403152795 Hong Kong AFP in English 1511 GMT 24 Mar 95

[FBIS Transcribed Text] Bangkok, March 24 (AFP)—Burmese troops are preparing to launch air strikes in their continuing bid to destroy drug warlord Khun Sa's Maung Tai Army (MTA) in Burma's eastern border town of Tachilek, Thai television said Friday.

Channel 7, a military-run channel, quoted an MTA intelligence officer as saying in Thailand's northern city of Chiang Rai that assault aircraft of unknown type were seen landing at a temporary airfield inside the Burmese Army's 331st headquarters in Tachilek.

The MTA officer reportedly said Rangoon was likely to strike areas controlled by Khun Sa including Ban Kong Mon, Ban Kung Sa and Ban Ya-ay all within some 20 kilometers (12 miles) of the Thai border.

The television report said ground fighting took place Thursday in Mong Lung, some 50 kilometers (30 miles) from Tachilek, when some 300 besieged Burmese troops were attacked by about 200 MTA men.

The MTA personnel seized 23 machine guns left behind by the soldiers who withdrew late in the day, it said. No casualties reports were given.

It reported another major clash early Friday at Mong Hai, some 23 kilometers (14 miles) from Tachilek with a fierce firefight between some 0 MTA troops and 100 government soldiers.

Khun Sa, the professed leader of the ethnic Shan, has demanded greater autonomy from Rangoon. His MTA, whose weapons are allegedly financed by drug profits, controls much of the opium-growing Shan State.

Since lateruary Rangoon has sent increasing numbers of troops to crush the rebel leader after it succesfully captured two main Karen rebel the south. It started attacking MTA strongholds in Tachilek on Monday [20 March].

Also Friday several thousand Burmese ops laid siege to the Karen National Union's 6th Brigade headquarters at Kya Inn Seikyi, opposite Thailand's Um Pang district, and?ntinued to shell it, Channel 7 said.

Other Burmese troops raided Karen villages in the area suspected of supporting the KNU. Some 3,000 refugees have already fled the fresh fighting to Thailand, the television reported.

Rangoon 'Uneasy' Over News on Khun Sa Troops

BK2303165395 Rangoon Radio Myanmar in Burmese 1330 GMT 23 Mar 95

[FBIS Translated Text] A group of drug bandits belonging to drug kingpin Khun Sa stealthily crossed into Tachilek on 20 March at 0420 from Mae Sai in the country on the other side. They burned and destroyed 12 houses from Kondaw Ward and one shop in Diparyone Market by firing rockets, hand grenades, and small arms. They also ruthlessly murdered two innocent persons and wounded seven others. Two drug bandit leaders were killed and many were wounded when they were pursued by our defense services personnel. They then fled toward Mae Sai in the country on the other side in two groups. Our defense services personnel also annihilated six drug bandits who were unable to escape and were hiding in a house in Thonze Ward.

According to the latest reports, in the 21 March issue of BANGKOK POST, a daily newspaper from the country on the other side, a 20-strong group of drug bandits including some wounded persons arrived in Mae Sai and the wounded were given treatment at Mae Sai hospital. Our defense services personnel requested responsible authorities from Mae Sai to return the members of Khun Sa's drug bandits, who unmercifully burned the people's houses and ruthlessly killed innocent people, but their request was denied. However, it was learned that the weapons were confiscated from the drug bandits, and they were allowed to return to their homes.

In fact, to show bilateral goodwill and good neighborliness between two neighboring countries, when another neighboring country captures terrorist drug bandits who killed and maimed innocent people from one country, they should be extradited to honor the sovereignty of both countries. It has been learned from a responsible official that authorities concerned in Myanmar [Burma] feel uneasy about the neglect and rejection of extradition of these drug bandits.

Paper Cites Than Shwe on Peace, Human Rights

OW2503083995 Tokyo KYODO in English 0823 GMT 25 Mar 95

[FBIS Transcribed Text] Yangon [Rangoon], March 25 KYODO—The State Law and Order Restoration

Council (SLORC) is prepared to cooperate with its opponents, so long as peace and the interests of the state are not endangered, a government newspaper reported Saturday [25 March].

SLORC Chairman Gen. Than Shwe made the statement at the opening ceremony of a management course for union leaders at Phaunggyi near Yangon Friday, the NEW LIGHT OF BURMA said.

"We have invited armed groups in the jungle to return to the legal fold for national reconciliation and development. Fourteen groups (out of 16) have returned and they are now working with us for the development of their respective regions," he said.

"Some who continue to indulge in personal gains, ignoring the desire and interests of their people, still remain in the jungle. We keep the door open for peace and cooperation with those in armed revolt as well as the dissidents aboveground, so long as peace and the interests of the country are not endangered," Than Shwe said.

On human rights, he said basic human rights of food, clothing and shelter are essential to achieve political human rights.

"Human rights have to be in line with the tradition, religion, culture, economic and social conditions of a people... Even developed countries land in trouble for copying the human rights of others."

Brunei, Malaysia & Singapore

Malaysia

U.S. Admiral Owens Meets With Defense Minister

Discuss Ties

BK2503115395 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 20 Mar 95

[Passages in italics spoken in English]

[FBIS Translated Text] Military relations between Malaysia and the United States will be enhanced in the future.

[Begin recording] [Defense Minister Najib Tun Razak] We will maintain relations on the basis of mutual understanding under *bi-tech [bilateral technical] arrangements* that have been agreed upon by the two governments. The scope of our cooperation, however, including training programs, can be increased in the future. Our relations also cover joint exercises, an exchange of information, and *logistical support*. The two sides have a mutual understanding on the last point, but we indeed have not availed ourselves of the facility. Perhaps the agreement will enable us to use the U.S. military's *logistical support* for our needs when FA-18 aircraft arrive. [end recording]

Datuk Sri Najib received Admiral William Owens, vice chairman of the U.S. Joint Chiefs of Staff, at his office in the capital. The brief meeting yielded several proposals for cooperation to further enhance the image of the Malaysian Armed Forces.

View Purchase of Equipment

BK2703081695 Kuala Lumpur NEW STRAITS TIMES in English 21 Mar 95 p 8

[FBIS Transcribed Text] Kuala Lumpur, Mon.—Malaysia will insist on high-technology systems for military equipment purchased from the United States to optimise its usage, Defence Minister Datuk Sri Najib Tun Razak said today.

He said most weapons today would rely on on-board support systems for effectiveness.

"When we decide to buy (fighter) aircraft like the (McDonnell Douglas) F/A-18D Hornets, it is important for us to be able to use the aircraft to their optimum limit.

"Since much of the aircraft's performance depends on on-board computer systems, it is ideal we do not look at the hardware alone, but also the systems which are offered along with them," said Najib.

He was speaking to reporters after a courtesy call by United States Joint Chiefs of Staff vice-chairman Admiral William Arthur Owens at his office in Wisma Pertahanan [Defense House] in Jalan [Road] Padang Tembak here.

Najib was satisfied with the on-board systems for the eight Hornets which were bought for the Royal Malaysian Air Force (RMAF).

However, he said, how the RMAF could optimise their use would only be seen once the maritime strike fighters enter service in 1997.

He added the matter was discussed with Owens as well as regional security issues like the six-nation territorial dispute over the Spratlys chain of islands.

The islands, atolls and reefs are claimed wholly or partly by Malaysia, Vietnam, China, the Philippines, Brunei, and Taiwan.

Najib said Owens expressed the US concern over the row between China and the Philippines on the ownership of Mishief Reef. Owens did not offer any specific action.

Defense Minister on MiG-29 Squadron Assembly

BK2603153595 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 26 Mar 95

[FBIS Translated Text] All 18 Russian-made MiG-29 Fulcrum jet fighters will be fully operational by the end of next month. Their components are arriving in installments. Defense Minister Tan Sri Najib Tun Razak said the squadron will be deployed at the Royal Air Force base in Kuantan. The components for three of the planes arrived in Kuantan on 23 March. The minister was speaking to reporters after attending an Islamic religious meeting with former servicemen in Kuantan.

The components, which arrived last week were shipped in crates aboard the world's largest transport plane, namely the Antonov 124. The MiG-29's, built by the Moscow-based MAPO [expansion unknown] aircraft manufacturer, are expected to replace the F-5E fighters, which have been in service 19 years. It will not take long to assemble the components.

Ferry With Illegal Indonesian Immigrants Stopped

BK2303133495 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Mar 95

[FBIS Transcribed Text] A boatload of 630 Indonesians trying to enter the country illegally was stopped at a ferry terminal in Port Kelang. The ferry carrying 750 passengers berthed at South Port, but only 120 of them were found to have valid travel documents.

Federal Police Internal Security and Public Order Operations Staff Officer, ACP [Assistant Commissioner of Police] Syed Zahid Syed Ibrahim, said the operations, part of Ops Nyah Second, was the biggest (?test) for the police and the Immigration Department in preventing the entry of illegal immigrants this year. The Surabaya-registered ferry set sail on Sunday [19 March]. Although operating legally, the ferry was carrying more than the maximum limit of 400 passengers. There were about 37 children and 424 women among the passengers.

Syed Zahir said 630 of the passengers did not possess any documents or carried false travel papers and do not have the means to pay for their return journey. After being screened they were ordered back onto the ferry to return to Indonesia.

Singapore

U.S. Admiral Owens on Visit to Singapore

Meets Ministers

BK2703082295 Singapore THE STRAITS TIMES in English 25 Mar 95 p 15

[Report by Ravi Vellor]

[FBIS Transcribed Text] The United States said yesterday that while it intended to stay engaged in the Asia-Pacific, it no longer wanted to be treated as a Super Power but instead, as a "Super Partner" in the region.

"We think of the American presence here as a Super Partner, not a Super Power--this is an important element of the way in which we should interact in this new world environment," said Admiral William Owens, Deputy Chief of the US Joint Chiefs of Staff.

Adm Owens, the second highest-ranking officer in the US military, was addressing reporters at the end of an eight-day swing through the region that has already taken him to Indonesia, Malaysia and Brunei.

Earlier yesterday, the Admiral, who arrived in Singapore on Thursday, called on Defence and Labour Minister Dr Lee Boon Yang, Prime Minister Goh Chok Tong, Senior Minister Lee Kuan Yew and Deputy Prime Minister Brigadier-General (NS) [expansion unknown] Lee Hsien Loong.

His visit is a continuation of a series of recent high-level tours of the region by US military officials.

He said the visits "attest to the importance we place to South-east Asia and the bilateral and multilateral relations we want to develop as we proceed into this difficult future which is filled with many opportunities and also has some dangers."

Reiterating the American commitment to the region, he said "Our recent policy statement was more than mere words. It was a result of an inter-agency dialogue in Washington. It is a commitment to the long-term presence of the US in the form of about a 100,000 troops, continued deployment of carrier battle groups and amphibious ready groups at historical levels."

Adm Owens, 54, was referring to the US Defence Department's East Asia Strategy Report released at the end of February. He said the American military was "in the Pacific to stay".

Questioned on recent tensions over the Spratly Islands, he said he found consensus in all the places he visited to resolve the issue peacefully through bilateral dialogue and by attempting to understand the interests of each of the claimants, including China.

As for China's reported purchase of four Kilo-class attack submarines from Russia, Adm Owens, himself a submariner, noted that the diesel-powered vessels had many technical advances of importance.

"The Chinese as a sovereign nation have the right to deal with other nations to try to buy the technology that they think they need to develop an effective military... in the long term, we'd be interested in seeing their use of these technologies.

"Whether they use them as an element of the defence of China or as an element of power projection, the intent is what is critical."

In Brunei, on Wednesday, Adm Owens praised Brunei, Indonesia and Malaysia as countries where Islamic principles count in fostering booming economies.

He said these South-east Asian countries were a "tremendous example" to other Islamic nations in showing that it is possible to be true to one's religion while building the economy.

Received by Defense Minister

BK2503114295 Singapore Radio Corporation of Singapore in English 1100 GMT 24 Mar 95

[FBIS Transcribed Text] The vice chairman of the U.S. Joint Chiefs of Staff, Admiral William Owens, has called on Defense Minister Dr. Lee Boon Yang. Admiral Owens is here on a four-day official visit, which began on Wednesday. It is his first since his appointment as vice chairman in March last year.

Mindef [Ministry of Defense] says Admiral Owens' visit is part of regular exchanges between U.S. and Singapore defense officials to further strengthen bilateral ties. He will also call on Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew before returning tomorrow.

Goh Affirms Good Relations With Philippines

BK2503131295 Singapore Radio Corporation of Singapore in English 1000 GMT 25 Mar 95

[FBIS Transcribed Text] Prime Minister Goh Chok Tong has affirmed Singapore's good bilateral relations with the Philippines. This is despite a rough tide in the current times, which Mr. Goh hopes the two countries can ride through. The prime minister said this in the course of wide-ranging interviews with CNN on regional security and economic matters yesterday. CNN had requested the interviews with Mr. Goh on 6 March as part of a series of interviews with leaders in Asia.

Mr. Goh said Singapore values its relations with the Philippines. He welcomed the foreign workers from the Philippines who are working in Singapore. Mr. Goh also expressed the hope that Singaporeans were good hosts to the Filipino community in Singapore.

As to the comments in the Philippines that Singapore did not allow President Ramos a face-saving measure, Mr. Goh said Singapore has its own legal system. The prime minister said due process was given to Flor Contemplacion and the law took its course.

Cambodia

Khmer Rouge Criticizes U.S. Promise of Aid

BK2703045695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 26 Mar 95

[Unattributed commentary: "The Clinton Administration Is Caught Playing the Fool and Deceives No One But Itself When It Voices Support for the Two-Headed Government's Ghost Soldiers"]

[FBIS Translated Text] Lately, the Clinton administration—both its military and civilian components, both the State Department and the Defense Department—has been seen making frenzied trips to and from Phnom Penh. Every time it was there it never failed to make a semblance of praise for the two-headed government's ghost soldiers. People have wondered: How can the Clinton administration utter such praise if the two-headed army has virtually no troops left with which to fight?

I. Who does not know that the two-headed government is losing? It is being repeatedly defeated on every battlefield. Who does not know that the two-headed army is being trounced and annihilated? On the Preah Vihear battlefield there were more than 3,000 puppet troops at the beginning of their campaign and in subsequent weeks 100 to 200 reinforcement troops were sent in, bringing the total to 5,000-6,000 troops over the past few months. Now, however, there are less than 200 puppet troops left and more are being killed, wounded, or running away from the battlefield. Of Ranariddh's forces there are less than 10 percent left and of the communist Vietnamese puppet forces no more than 10 percent are left. These troops are demoralized and are waiting just for a chance to desert.

II. During the previous dry season, the alliance carried out a plan in which they ordered their lackeys to launch operations against the people and Democratic Kampuchea at Stoung, Phnum Chhat, Anlung Veng, Pailin, and other areas. However, they met with wholesale defeats. Seventy percent of their troops were trounced and scattered while 70 to 80 percent of their tanks and other armored vehicles were knocked out or burned down. After suffering these wholesale setbacks, they calculated on their computer that:

1. They must reform the two-headed government's ghost army;

2. They must purchase additional tanks and armored vehicles to continue to fan the war against Cambodians.

However, during this 17th dry season, they are experiencing an even more serious defeat than during the previous dry season and their reform efforts have proved to be ineffective and a complete failure. Moreover, the newly purchased tanks and armored vehicles have been found to be in a very shabby condition and it has been discovered that several parts of these war materiel have been chopped off and sold out as scrap metals by the soldiers. Now, what else do they still have that they can brag about?

People ask how can they reform the two-headed army if it is so corrupt and rots like carrion? The two-headed regime is breaking down and crumbling in all fields and sectors. The day it gives up its ghost in the pits for traitors is not far ahead. As for the Clinton administration, which has opened its foul mouth to promise aid to the two-headed government, it is being caught in a fool's game and is bogging down in a quagmire like the communist Vietnamese and their puppets. It has suffered repeated defeats and now that it cannot make any new move, it is taking a risk by trying to deceive the U.S. Congress. However, Clinton can fool no one. The U.S.

Congress and the U.S. people are increasingly opposed to the Clinton administration, fighting to prevent it from spending money abroad.

Radio Views Current Ties With Thailand

BK2603113295 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 25 Mar 95

[Political commentary: "Problem in Cambodian-Thai Relations Has Gradually Been Solved"]

[FBIS Translated Text] His Excellency [H.E.] Ing Huot, minister of foreign affairs and international cooperation, concluded his two-day official visit to Thailand on 23 March. The purpose of the visit was to pave the way for an official visit by a Cambodian Government leader to that country on 29 March.

At Pochentong Airport, H.E. Ing Huot disclosed that during his visit he had held talks on the border problem so as to determine Cambodia's future boundary, adding that he had also proposed the creation of a joint mechanism with Thailand to solve this problem.

Shortly after his arrival in Thailand on 21 March, the Cambodian foreign minister was allowed to hold a working meeting with Thai Prime Minister Chuan Likphai. They both concurred in setting up a joint commission to solve the border problem and agreed that the body should be set up officially during a visit by Cambodian Second Prime Minister Samdech Hun Sen to Thailand on 29 March.

Analysts are of the opinion that the border problem between Cambodia and Thailand is no less serious than the one between Cambodia and Vietnam. During their visit to Vietnam, Cambodian and Vietnamese leaders agreed to create a joint working group to study and settle the border conflict between the two countries. Pending a solution, the two sides concurred in maintaining the status quo by refraining from displacing border posts or resorting to any activities that could affect the two countries' common border.

On 22 March, H.E. Ing Huot and Thai Foreign Minister H.E. Krasae jointly reaffirmed that the relations between the two countries were fine at the leadership level, despite some problems at the people level.

Our people are of the opinion that although nothing significant was gained during the Cambodian foreign minister's visit to Thailand, it is expected that something fruitful will certainly be achieved during Samdech Hun Sen's upcoming visit to that country. Consequently, we hope that the relations between the two neighboring countries will be further strengthened and expanded in the interests of both countries and for stability and peace in the whole of Southeast Asia.

Generally speaking, the overwhelming majority of the Cambodian people want to be good neighbors not only with Thailand but also with Vietnam.

In view of Article 53, Chapter 4 of the Constitution, the Cambodian people hope that the remaining problems can jointly be solved by the two countries. As Cambodians always say: It's better to make a long story short. So why should Cambodia turn its back on the good relations with its neighbors?

It is hoped that Cambodia will reach with Thailand an agreement on investment protection and improvement so as to encourage the 244 Thai companies currently doing business in Cambodia.

PM's Office Denies Removing Sam Rangsi's Guards

BK2403140395 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 24 Mar 95

["Denial by the Office of the Prince Krompreah First Prime Minister of the Royal Government of Cambodia;" issued in Phnom Penh on 24 March—read by announcer]

[FBIS Translated Text] After reading with stupefaction reports in some newspapers concerning the incident at His Excellency [H.E.] Sam Rangsi's residence on the night of 22 March 1995, the office of the Prince Krompreah First Prime Minister of the Royal Government of Cambodia [RGC] would like to vehemently issue the following denial.

1. The Prince Krompreah, in his role as either prime minister or any other roles, has not ordered the police to withdraw the protection unit from H.E. Sam Rangsi's house; he was not even aware of all this.

Changing the security unit at H.E. Sam Rangsi's house is not a duty of the prime minister but a routine task of the Interior Ministry, as the latter said in a communique dated 23 March 1995.

2. The office of the Prince Krompreah First Prime Minister of the RGC would like to firmly and most categorically deny all the fabrications on this matter affecting the prince's honor and lofty name.

[Dated] Phnom Penh, 24 March 1995
[Signed] The Office of the Prince Krompreah

Paper on Sam Rangsi's Removal From Party Board

BK2603123495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 26 Mar 95 pp 1, 11

[Report by Srei Neat]

[FBIS Translated Excerpt] A high-ranking official of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, who asked that his name be withheld, told REAKSMEI KAMPUCHEA on the morning of 24 March that Sam Rangsi, a member of the FUNCINPEC

Party's Committee of Directors, has already been removed from the board. The decision was made shortly after Sam Rangsi's trip to France on 3 March.

The same source further said that the reasons for the removal are that Sam Rangsi has engaged in a number of intolerable activities, such as acting against the FUNCINPEC Party's policy on national reconstruction and reconciliation, allying with other political parties, and disseminating groundless news distorting the government's activities that have the support of the FUNCINPEC Party. Yet, his far more serious wrongdoing is that on 2 March he issued a statement in which he reportedly aimed to prevent the international community from giving aid to Cambodia and the suffering Cambodian people.

However, it is not yet known whether Sam Rangsi is already aware of his removal from the FUNCINPEC party leadership because he is now still in France. [passage omitted]

According to the most reliable informed sources, Sam Rangsi could also lose his position of MP in the foreseeable future. The same unidentified sources said Sam Rangsi's activities against the national interests and the National Assembly are being studied—the sources did not specify whether by the government or the National Assembly—in view of the National Assembly regulations as it is not possible to allow an individual to spread what is damaging to national values and sovereignty.

On the night of 22 March, government police removed six of the eight guards from Sam Rangsi's residence. And an announcement issued by the Interior Ministry on 23 March said that the ministry wanted Sam Rangsi to have only two guards, like other MP's. Nevertheless, Sam Rangsi can ask for more guards if necessary. The announcement further said that the fact Sam Rangsi could previously have eight guards is because he was a state minister and minister of economy and finance.

In a news conference on the morning of 24 March, His Excellency Nguon Soeur, deputy chief of the Interior Ministry's police, said the removal was not politically motivated but was for technical reasons.

With the aforesaid events, it can be seen that Sam Rangsi is presently reaping the whirlwind.

Sihanouk Favors Keeping UN Human Rights Office

BK2703140695 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 27 Mar 95

["Press communique" issued by King Norodom Sihanouk; place and date not given—read by announcer]

[FBIS Translated Text] Some reporters have asked whether I agree with the plan to close the UN Human Rights Office in Cambodia. On this issue, I would like to say that I hope the Royal Government of Cambodia [RGC] will eventually keep the office in place for the purpose of serving the supreme interests of our motherland, people, and RGC.

Khmer Rouge on Closure of Human Rights Center

BK2703022195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 26 Mar 95

[Unattributed commentary: "In Ordering the Two-Headed Traitors To Close Down the Alliance's Made-in-U.S.A. Human Rights Center in Phnom Penh, Communist Vietnam Has Clearly Exposed Itself as the Exclusive, Despotic, and Extremely Fascist All-Around Boss in Cambodia"]

[FBIS Translated Text] The world is not surprised to learn that communist Vietnam has ordered its cheap lackey, the two-headed traitors, to close down the alliance's made-in-the-U.S.A. human rights center in Phnom Penh because this can only further show to all the real situation in Cambodia where communist Vietnam is the exclusive, despotic, and extremely fascist all-around boss, both in the legislative and the executive, of the traitorous Hun Sen-Ranariddh-Chea Sim clique. As for the alliance, it is even worse. It has abetted communist Vietnam in their scramble to tear the flesh and pick the bones of the Cambodian people.

Since the signing of the Paris agreement, communist Vietnam, UNTAC [UN Transitional Authority in Cambodia], and the alliance have conjured up the extremely jinxed, traitorous two-headed government; opposed genuine national reconciliation and genuine peace in Cambodia; and continued to fan the Vietnamese war of aggression and genocide against the Cambodian nation and people. With the purpose of fooling other people that there are human rights and democratic liberties in Cambodia under the traitorous two-headed government, the alliance set up a so-called human rights center in Phnom Penh and assigned hoodlum, cutthroat Michael Kirby to head this organization.

The truth is there have never been any human rights or democratic liberties in Cambodia under the regime of communist Vietnam. There have been only made-in-the-U.S.A. human rights and democratic liberties conceived to cover up the extremely corrupt and extremely fascist regime of communist Vietnam and the two-headed traitors.

Now, why has communist Vietnam ordered the closure of the alliance's center? The reason is that the people of Phnom Penh have risen up and waged a heroic struggle to call for genuine human rights and democratic liberties in Cambodia. In this context, the people have demanded that the two-headed traitors expel all four million ethnic Vietnamese from Cambodia; respect the Cambodian nation and people's right to self-determination and right to live in an independent, peaceful Cambodia with genuine national reconciliation; and eliminate the powers of communist Vietnam, the puppets of communist Vietnam, and the two-headed traitors.

The world clearly sees that the movement of the Phnom Penh people is burning and consuming the traitorous two-headed government and communist Vietnam; it is causing panic, isolation, and a loss of control which is steadily leading them toward collapse. The movement of the Phnom Penh people, in coordination with the courageous and highly heroic struggle of our entire nation and people throughout the country, has seriously shaken the situation of the two-headed traitors. It was for this reason that communist Vietnam ordered its cheap lackeys, the two-headed traitors, to shut down this human rights center of the alliance.

However, our nation and people as well as the masses in Phnom Penh, strong with their rich experiences in national defense, are holding loft their sense of vigilance against all the dark designs of the alliance, communist Vietnam, and the two-headed traitors who are trying to continue deceiving other people with the human rights issue. Our nation and people pledge to continue the struggle until there is genuine national reconciliation and genuine peace in Cambodia in order to bring an end to communist Vietnam's war of aggression in the country. Only with genuine national reconciliation and genuine peace can there be genuine human rights and democratic liberties in Cambodia.

Indonesia

Feisal Presents Decoration to U.S. Admiral

BK2503115795 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 18 Mar 95

[FBIS Translated Text] The United States highly appreciates President Suharto's role as chairman of the Nonaligned Movement and regards Indonesia as having a very strategic position due to its great influence in ASEAN. Admiral William Owens, vice chairman of the U.S. Joint Chiefs of Staff, made the remarks during a meeting with General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], in Jakarta yesterday. They discussed efforts to enhance cooperation between the two armed forces.

According to Owens, his visit to Indonesia is designed to enhance relations and cooperation between the ABRI and the U.S. Armed Forces. The ABRI commander, who represented the Indonesian Government, conferred the Yudha Dharma Utama Medal on Owens in recognition of his efforts to enhance relations and cooperation between Indonesia and the United States.

Suharto Urges More Investments From Japan

BK2603065995 Jakarta SUARA PEMBARUAN in Indonesian 23 Mar 95 p 5

[FBIS Translated Text] Jakarta, 23 March—In connection with the yen depreciation against the U.S. dollar, President Suharto has expressed the hope that Japan will increase its investment in Indonesia, particularly in its motor component, electronic, and other supporting industries.

The head of state has called on Indonesia to increase its exports to Japan. Apart from this, he also urged Japan to increase the inflow of its tourists to Indonesia. This was stated by Industry Minister Tunky Ariwibowo after accompanying the Kansai Economics Federation (Kankeiran) which met the president at Istana Merdeka [Merdeka Palace] in Jakarta on Tuesday [23 March].

The delegation was led by Tetsuro Kawakami, chairman of the Kankeiren, together with three deputy chairmen, who were; Keiya Toyonaga; Mamoru Hasimoto; and Toru Mato. They were also accompanied by Taizo Watanabe, the Japanese ambassador to Indonesia. Kankeiren is a major Japanese industrial federation in Kansai which has a strong influence on Japan's economic development. Meanwhile, Tetsuro Kawakami, who expressed his opinion said: "Considering Indonesia's current economic development and situation, the country is able to withstand the yen appreciation against the U.S. dollar. Japan considers Indonesia as one of the strong developing countries."

Indonesia can become economically stronger because of the existing good and open opportunities for cooperation.

He said: "The opportunity for Indonesia to further strengthen its economic strength is still wide open, particularly in its industrial economic sector." Kansai's total investments in Indonesia amount to U.S.$150 [million].

All this while, the Japanese giant industries such as Sumitomo, Marubeni, and Itoh have been developing industrial zones in Indonesia. They are expected to accomodate other Japanese industries that plan to relocate to Indonesia. Tunky Ariwibowo said: "It is absolutely necessary to remove certain obstacles by accommodating approvals and discarding certain unimportant issues."

APEC

The upcoming APEC [Asia-Pacific Economic Cooperation] meeting scheduled to be held in Osaka in November was also discussed during the meeting held on Tuesday. According to Kawakami, President Suharto had expressed the hope that last year's APEC meeting held in Bogor could be used as a basis to make the upcoming APEC meeting in Osaka a success.

Kawakami, who is also an executive with the Sumitomo Corp, said: "Following the APEC meeting held last year, numerous benefits could be tapped through further improving trade relations among the Asia-Pacific regional countries."

Meanwhile, the industry minister disclosed Japan's hope that President Suharto would be able to attend the upcoming APEC meeting. As a host, Japan would be able to learn from Indonesia's success in hosting the APEC meeting in Bogor last year.

Finance Minister Responds to Yen Appreciation

BK2503153395 Jakarta SUARA PEMBARUAN in Indonesian 21 Mar 95 p 4

[FBIS Translated Text] Jakarta, 21 Mar—The proportion of yen in the state treasury is to be increased from the original 35 percent to anticipate further appreciation of the yen.

Finance Minister Mari'e Muhammad said this when replying to questions by DPR [House of Representatives] members regarding action on the yen appreciation. The working meeting between the government, finance minister and DPR was held yesterday.

The minister added that the government will make an effort to minimize the negative impact caused by the appreciating yen, among other things, by adjusting the composition of state funds. He said: "The foreign exchange reserve will be adjusted in accordance with the amount of our obligations for loan repayments."

Apart from this, he said the loans from multilateral bodies (the World Bank and Asian Development Bank) were previously taken in yen denominations. Current and any future loans will be denominated in dollars.

He admitted that most foreign loans were denominated in yen but in the future, such loans will be in dollars. Loans from Japan will remain denominated in yen because Japan will not accept any other terms. He said: "Such a condition is applied to other countries besides Indonesia."

He said Japan will definitely not use any denomination other than the yen, particularly for official loans or any other official development assistance.

Japan has always insisted on using the yen clause despite its low interest rate of 3-3.5 percent for its ODA [Overseas Development Assistance].

Responding to an inquiry on whether Indonesia can diversify its foreign loans in an effort to reduce the proportion of yen, the minister said such an effort would be difficult. He said: "Truly speaking, Japan remains the potential source for foreign loans, despite the fact that one-third of CGI [Consultative Group on Indonesia] borrowing is from Japan."

The government will probably face difficulties if loans denominated in yen decrease, particularly when receiving technical assistance from Japan. Japan provides a major portion of the technical assistance loans. Mari'e said: "This is our current problem in managing our foreign loans."

There is also the positive impact apart from the negative impact from the yen appreciation. With its appreciation, the yen has provided Indonesia a greater opportunity to export its nonoil products to Japan despite the stiff competition in the Japanese market. Therefore, it is important that we improve our competitiveness expeditiously.

Further, there is a possibility that Japan will relocate some of its industries to Indonesia following the yen appreciation. Mari'e said: "We can only benefit from Japanese relocation of its industries to Indonesia if our investment conditions are favorable."

Speaking during the meeting, Minister Mari'e also reiterated that the yen appreciation is out of Indonesia's control. The U.S. Federal Reserve and Japan's Central Bank were unable to overcome speculation by financial managers.

The fund managers speculated by releasing enough U.S. dollars until the value depreciated. As a result of this speculation, Japan's Central Bank failed in its attempt to stabilize the dollar's depreciation.

According to Christianto Wibisono, head of the Center Business Data Center in Indonesia, approximately U.S. $1 trillion is circulating abroad. The speculators, who control these funds, aim to foil the efforts of the U.S. Federal Reserve and Japan's Central Bank to stabilize the dollar.

Stalled Loans in State Banks Increase

BK2503125095 Jakarta KOMPAS in Indonesian 22 Mar 95 pp 1, 11

[FBIS Translated Text] Jakarta, KOMPAS—State banks had extended 103.8 trillion rupiah worth of credits as of January 1995. Of the total amount, 6 trillion rupiah worth of loans fell in the unsmooth category and 6.1 trillion rupiah had been stalled, while the remaining 82.9 trillion rupiah or 79.9 percent were in the smooth category.

The total of stalled credits extended by state and private banks increased from 3.88 percent in September 1994 to 3.97 percent in January 1995.

Sudrajad Jiwandono, governor of the Bank of Indonesia [BI, the country's Central Bank], said this before a working meeting with House Commission VI in Jakarta on Tuesday [21 March].

He said that the situation for bank credits classified as smooth, unsmooth, and questionable in terms of collectibility improved in January 1995. Smooth credits in all public banks rose to 87.37 percent out of the total credits extended by banks during that month. This percentage compared with 86.94 percent in September 1994 and 85.83 percent in December 1993.

On the reverse side, unsmooth credits decreased from 4.25 percent in December 1993 to 3.58 percent in

September 1994 and 3.51 percent in January 1995. Similarly, "questionable" or "stalled" credits decreased from 9.92 percent in December 1993 to 9.50 percent in September 1994 and 9.14 percent in January 1995.

"However, stalled credits rose from 3.34 percent in December 1993 to 3.88 percent in September 1994 and 3.97 percent in January 1995," he said. According to him, the increase has not reflected banking developments in general.

BI Director Hendrobudiyanto explained the reason for the considerable increase during the period. He said that there was in fact a correction of figures in 1994 because an on-site examination [preceding three words in English] revealed that the amount of stalled credits in some banks was in fact bigger than earlier predicted. "As a result, the amount of stalled credits in December 1994 is very big, about 900 billion rupiah," he said.

The 6.1 trillion rupiah stalled credits channeled by the state banks are very considerable. The money could be used to finance the presidential program for backward villages for about 15 years or three five-year development plans if the annual budget for the program were 440 billion rupiah.

Warning from the BI

Hendrobudiyanto also told the reporters that the BI recently warned 75 banks for failing to set aside 20 percent of credits as small business credits, as required by the government. After an intensive examination, the BI found out that only 62.2 percent of 201 banks, or 126 banks, had met the requirement, while 75 others had failed to do so.

Temporary or permanent sanctions have been imposed on some of the 75 banks. Temporary sanctions mean that a bank will not be allowed to become a perception [persepsi] bank or open a new branch.

The BI has even put several board members of the banks on "a special record." Unlike the two temporary sanctions, this permanent sanction implies that the disobedient bankers will be on a permanent list in the BI.

According to Hendrobudiyanto, the BI is further tightening its supervision of banks in 1995 by setting up monitoring teams, with each team monitoring 4-5 banks.

Higher Interest Rates

Regarding the tendency toward higher interest banking rates, which House Commission VI members say "have not encouraged the business and economic circles," and the rupiah's low exchange rate with other Asian currencies, the BI governor said that higher deposit and credit interest rates within proper limits were in fact necessary to prevent the flight of capital to foreign countries.

According to Sudrajad, different interest rates are primarily to keep the rupiah's exchange rate realistic and avoid harming trade. "What is important is that the exchange rate should not be too low to the extent that the people will no longer have confidence in the rupiah and will move their capital to foreign countries. However, the rate should not be too high either, because this will attract foreigners to put their hot money in Indonesia," he said.

Regarding the tendency of banks to expand credits beyond the 19-percent mark set by the government, Sudrajad said that the 19-percent mark was an average mark for all banks in line with the targeted expansion of money in circulation—19 percent for M1 [expansion unknown] and 20 percent for M2 [expansion unknown].

"As the main target of the monetary policy is the growth of money in circulation, the growth rate of bank credits may be higher or lower than 19 percent," he said.

No Need To Worry

Regarding the foreign loans reaching a ceiling of U.S.$100 billion by the 1995-96 period, Sudrajad said that despite Indonesia's huge foreign loans, which currently rank fourth in the world, people should not be unduly worried over the government's creditworthiness in repaying the loans.

Citing Mexico as an example and comparison, he explained that Indonesia's amount of debts is lower due to an advantageous time allocation for debt repayment based on a better interest rate. This is because the country has a diversified source of funds and the debts had been incurred on a long-term basis.

He said: "The burden of the loan repayment and the interest incurred can be accurately calculated in the 1994-95 balance of payments, which has a surplus, and a continuous surplus is expected during the 1995-96 period."

Loans taken by the private sector, including those taken by state-owned enterprises without the inclusion of loans taken by the banking sector, were recorded at U.S.$20.065 million by the end of December 1994 (or 23 percent of Indonesia's total foreign loans). This indicates a decrease in the amount of loans compared with the same period at the end of December 1993, which stood at U.S.$20.372 million (or an equivalent to 25 percent of the total amount of loans.)

If the loans taken by banks, including those taken by the government banks were accounted for, then the amount of foreign loans taken by the private sector will amount to U.S.$28.267 million (33 percent of the total loans), as recorded at the end of December 1994—which indicates a 33 percent increase from the previous U.S.$28.130 million (or 35 percent of the total loans) as recorded in December 1993.

Government To Float State Shares Abroad

BK2703053695 Jakarta THE JAKARTA POST in English 22 Mar 95 p 9

[FBIS Transcribed Text] Jakarta (JP)—The government plans to float the shares of six state-owned companies through international stock markets to raise funds as part of its program to accelerate the prepayment of high-interest external loans, a minister said yesterday.

Minister of Finance Mar'ie Muhammad said that the public offering of the six companies will include the divestment of the government's shares.

"The public offering will include the divestment of around 25 percent of the government's shares and the issuance of around 15 percent of new shares of each of the six companies," the minister told a hearing with the House of Representatives.

The minister explained that the government is also preparing the listing of two other state-owned companies on the domestic markets.

Mar'ie declined to disclose the names of the eight companies.

However, some of the companies, including P.T. [Company Limited] Telekomunikasi Indonesia [Telkom], the provider of domestic telephone services; P.T. Aneka Tambang, the general mining company; and P.T. Tambang Timah, the tin mining company, have recently revealed their "going international" plans.

Securities analysts said that at least two state-owned companies, including the state-owned Bank Negara Indonesia and the diversified Rajawali Nusantara, are also preparing their public offering.

Unlike the six firms, the two latter companies will target the local market, they said.

The minister said the time frame of the planned initial public offering of the eight state-owned firms had not been fixed. "It depends on the market situation and the preparation of each company," he added.

Securities analysts said that Telkom, which is now in the process of selecting its underwriter, is likely to become the second firm to be listed on the international market after Indosat [Indonesian Satellite Company Limited] which made a successful debut during its initial listing on the New York Stock Exchange last October.

Indosat, the provider of international telecommunication services, raised U.S. $799 million from the sales of 25 percent of its 1.03 billion shares through the New York Stock Exchange in addition to around Rp. [rupiah] 650 billion ($297 million) from the sales of another 10 percent of its shares on the domestic market.

The 25 percent of the shares sold through the New York Stock Exchange mainly comprised of the government's shares, while those sold at home consisted of new shares.

Mar'ie told the House's Budgetary Commission during the hearing that around U.S. $782.9 million of the proceeds of the government's stock divestment in Indosat had been used to prepay loans carrying interest rates of above 10 percent, provided by the World Bank and the Asian Development Bank.

He said that the prepayment of the high-interest loans would be made as an integral part of the foreign debt management and that the divestment of the government's stocks in major state-owned companies through stock exchanges will be one important source of funds in financing its loan prepayment program.

SCB-Bapindo Cooperation Reportedly 'Deadlocked'

BK2503142795 Jakarta BISNIS INDONESIA in Indonesian 22 Mar 95 p 1

[FBIS Translated Text] Jakarta (BISNIS INDONESIA)—Technical cooperation between the Standard Chartered Bank [SCB] and the Indonesian Development Bank [Bapindo] seems to be deadlocked because the government has not decided on which alternative to revamp the management of the state-owned bank.

"As a consultant, we have just to comply with the request of our clients. We have no idea what the Indonesian Government will do later," Patrick J. Gillam, SCB chief representative in Indonesia, told BISNIS INDONESIA following a news conference here yesterday.

He, however, admitted that the SCB had done the first part of the work—diagnosing the cause of the Bapindo crisis and offering several alternatives for its solution.

"We did the first part of the work—diagnosing the cause of the Bapindo crisis and offering alternatives for its solution—and submitted the results to the minister of finance three months ago. The Department of Finance and the SCB will hold further discussions on the matter."

Patrick refused to disclose the details of the SCB's diagnosis and alternatives as they are still under discussion. "I'm sorry because I cannot answer your question."

Another banking source said that the SCB technical assistance would be of little help for revamping the overall management of the Bapindo. "The SCB only gave procedural directives, and did not touch on banking operations."

Patrick, however, stated that Indonesia is one of the most important sites for the SCB expansion of its operations in Asia.

"Talking about the expansion of operations in Asia, we consider Indonesia one of the most important sites in the region."

Patrick admitted that the SCB has not taken full advantage of opportunities in Indonesia, whose economy has been growing particularly rapidly over the past few years. The bank has operated here since the 18th century.

Laos

Thailand's Foreign Minister Krasae Visits

Comments Before Departure

BK2503092095 Bangkok Radio Thailand Network in Thai 0530 GMT 25 Mar 95

[FBIS Translated Text] This morning Foreign Minister Dr. Krasae Chanawong talked to newsmen before departing on an official visit to Laos at the invitation of his Lao counterpart. He said that in addition to meeting with the Lao foreign minister and prime minister, he will call on the Lao president. He said various areas of bilateral cooperation will be reviewed to enhance their efficiency. Laos is especially interested in airport construction. He will also observe the celebration of the 40th anniversary of the Lao Government.

[Begin Krasae recording] Laos is currently very much interested in its airport at Luang Prabang. In fact, Thailand approved assistance for this project some two years ago. The Foreign Ministry has set a budget of 50 million baht for the project. As far as I know, the delay is attributed to alterations in the design and planning, resulting in higher costs. I want to look at the project myself and hear the views of the Lao side to consider what additional assistance we could provide. I will assure the Lao side of our intention to support the Luang Prabang airport project. [end recording]

Received by Counterpart

BK2503144295 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 25 Mar 95

[FBIS Translated Text] His Excellency [H.E.] Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic [LPDR], met with H.E. Dr. Krasae Chanawong, foreign minister of the Kingdom of Thailand, in Vientiane this morning to discuss the relations and cooperation between the two countries .

H.E. Dr. Krasae, his wife, and his delegation are on their official visit to Laos from 25 to 26 March. H.E. Somsavat Lengsavat expressed his appreciation of the official friendship visit to the LPDR by the Thai foreign minister, his wife, and the delegation. The visit is made while relations between the two countries are flourishing and it follows the recent official friendship visit to the Kingdom of Thailand by LPDR President Nouhak Phoumsavan at the invitation of the Thai monarch. The visit by the Lao president was highly successful, providing a firm base for the relations and cooperation between the two countries and the carrying out of activities by the Lao and Thai governments.

H.E. Dr. Krasae expressed his thanks for the warm welcome accorded by Lao foreign minister and the high-level authorities.

The two sides discussed the issues of bilateral relations and cooperation, particularly regarding the economic and communication fields, as well as a number of other issues.

To Address Border Dispute

BK2603112995 Bangkok THE SUNDAY NATION in English 26 Mar 95 p A3

[Report by Rit Patiyasewi]

[FBIS Transcribed Text] Foreign Minister Krasae Chanawong and Laotian counterpart Somsavat Lengsavat agreed yesterday that both sides should tackle the unresolved Thai-Lao border dispute at Ban Romklao to demonstrate the true spirit of cooperation and friendly relations.

Krasae told reporters that the positive ties between the two countries has been further strengthened by the state visit of President Nouhak Phoumsavan last month, at the invitation of His Majesty the King.

Krasae who is on a two-day official visit to Laos is due to return home tomorrow.

He quoted Somsavat as saying that since relations were good, unresolved issues such as border problems must be worked out immediately.

Thailand claims that the area is a part of Chattrakan district on Thai soil while Laos claims it is in Sayaboury province.

The conflict escalated into fighting late in 1987. However, the following year, former prime minister Chatchai Chunhawan met with late president Kaysone Phomvihan and agreed to set up a joint committee to resolve the dispute.

There is a strong desire in both countries to settle the Ban Romklao conflict and also other issues along the 1,740 km of border.

According to Thai senior official, the two countries will soon meet to discuss on the legal aspect of the problem.

Attends Banquet

BK2603111195 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 26 Mar 95

[FBIS Translated Excerpt] Respected listeners: as we reported earlier, at the invitation of His Excellency [H.E.] Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic [LPDR], the delegation of the Ministry of Foreign Affairs of the Kingdom of Thailand led by H.E. Dr. Krasae Chanawong arrived in Vientiane yesterday morning for a two-day official friendship visit to the LPDR.

After their arrival, the Thai and Lao delegations met and held talks at the government reception hall. The Lao delegation was led by H.E. Somsavat Lengsavat, while the Thai team was headed by Dr. Krasae.

Yesterday afternoon, the Thai foreign ministry delegation paid a courtesy call on H.E. Nouhak Phoumsavan, president of the LPDR, at the Presidential Palace; and H. E. Dr. Vannalet Latsapho, the Lao minister of public health. The meetings and talks between the guests and the hosts were filled with an atmosphere of friendship between two brotherly countries.

After that, the Thai Foreign Ministry delegation visited the Houai Son-Houai Soua agricultural development and service center, which is a bilateral cooperation project.

In the evening of the same day, H.E. Somsavat Lengsavat hosted a reception dinner in honor of H.E. Dr. Krasae and his delegation at the Vang Sadet residence. On the occasion, the Thai foreign minister granted an interview to reporters of the Lao national radio about his visit to Laos. [passage omitted]

Discusses Visa Agreements

BK2703061295 Bangkok BANGKOK POST in English 27 Mar 95 p 6

[FBIS Transcribed Text] Thailand has proposed to Vientiane that it permit Thai tourists and businessmen to visit Laos without a visa for up to 15 days, Foreign Minister Krasae Chanawong said yesterday.

The foreign minister made the proposal to his Laotian counterpart, Somsavat Lengsawat, during his familiarisation trip to Laos over the weekend.

He said the 15-day visa exemption was practised in all ASEAN countries and since Laos is to join the ASEAN soon, the same procedure should also be applied to Laos. Thai tourists and businessmen who want to visit Laos for even a couple of days must now apply for visas at the Laotian Embassy in Bangkok, causing inconvenience to people who do not live in Bangkok.

The two countries agreed earlier to open a consulate office in Khon Kaen on the Thai side and in Laos' Savannakhet to facilitate the issue of visas. This agreement has yet to be approved by the Thai Cabinet.

Foreign Minister Krasae also said he had urged Laos to show more flexibility in the use of the Thai-Lao Friendship Bridge across the Mekong River.

Although the bridge was opened last April to facilitate the flow of traffic between Nong Khai and Vientiane, Thai motorists are not allowed to drive their cars into Laos, and must leave them on the Thai side and use Lao cars instead.

Lao officials reasoned that the regulation was intended to minimise traffic problems in Vientiane.

Dr Krasae said the two countries would meet to set a standard border admission fee to be applied to all border check points.

The foreign minister also visited Luang Prabang, the old Laotian capital, to inspect the progress of improvements at the airport.

Thailand has provided a 50-million-baht grant to Laos for improvements of airport buildings, air traffic control tower and runway in Luang Prabang. Construction is yet to begin due to some technical problems.

It is scheduled to be completed in 18 months.

Calls on President, Departs

BK2703140895 Vientiane KPL in English 1031 GMT 27 Mar 95

[FBIS Transcribed Text] Vientiane, March 27 (KPL)—A delegation of the Ministry for Foreign Affairs of the Kingdom of Thailand led by its minister, Dr. Krasae Chanawong, on March 25 called on Lao President Nouhak Phoumsavan, at Ho Kham, the Presidential Palace, during its visit to Laos between March 25-26 at the invitation of the Lao foreign minister, Somsavat Lengsavat.

The Lao president hailed the outcome of the discussion between the delegations of Lao and Thai Ministries of Foreign Affairs which will benefit the bilateral relationship and cooperation in the future. The Lao president stressed that only [word indistinct] understanding and trust will help to solve problems and to meet the Lao and Thai peoples' demand, as well as ensure peace and stability in the region and raise the two countries' status.

On this occasion, the Lao president expressed his profound thanks to their majesties the king and queen of Thailand and the Thai people for their warm welcome during his state visit to Thailand in mid-February, especially the talk with his majesty the king. He was convinced that his Thailand visit would lay a foundation for the expansion and strengthening of the two countries' existing relationships.

Dr. Krasae Chanawong expressed thanks to President Nouhak Phoumsavan for the warm welcome to him and his delegation during his Laos visit.

During their visit, the Thai delegation had a talk with the Lao delegation from the Ministry of Foreign Affairs, paid courtesy visits to the Lao president and to Prof. Vannalet Latsapho, acting minister of public health, and Mr. Khamliang Phonsena, chief of the Foreign Commission of the National Assembly. The Thai delegation also visited the Houai Son-Houai Soua integrated agricultural development project.

Yesterday, the Thai delegation accompanied by Somsavat Lengsavat, left here for Luang Prabang Province, northern Laos. In the same day afternoon, the Thai delegation returned home by a special airplane from Luang Prabang.

Philippines

Navy Arrests 50 PRC Fishermen in Spratlys

Handed Over to Police

BK2703045095 Quezon City Radio Filipinas in English 0230 GMT 27 Mar 95

[FBIS Transcribed Text] The Philippine Navy will turn over to police and immigration authorities 50 Chinese fishermen caught fishing on the part of the South China Sea which the government claims as its own. Soldiers from the Western Command boarded the detained four Chinese boats, in the latest incident between China and the Philippines. The Philippine Navy patrol boat and a transport ship captured the Chinese ships near the Arellano Reef in a part of the Spratlys claimed by Manila. The 50 fishermen will be turned over to a joint committee of police and immigration authorities.

Charged With Illegal Fishing

BK2703115595 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 27 Mar 95

[FBIS Translated Text] The 62 Chinese fishermen arrested earlier by Western Command [Wescom] operatives in the Kalayaan Island waters were charged with illegal entry, poaching, and illegal fishing. The Chinese fishermen were aboard four large fishing vessels near Arellano Shoal when arrested by Wescom officials.

According to a report received by DZBB, Wescom officials found cyanide in the possession of the fishermen and suspected them of using it in their fishing. The fishermen have been charged formally. If the fishermen are found guilty, they will be imprisoned for 20 years.

'Unsure' if Linked to PRC Navy

BK2703115095 Quezon City ABC-DWET Television in Tagalog 1000 GMT 27 Mar 95

[FBIS Translated Text] The Armed Forces' Western Command [Wescom] is unsure if the arrested Chinese fishermen are connected to the PRC Navy. According to witnesses the equipment of the Chinese fishermen is ultra-modern, but the question of whether the equipment was for military use is still being investigated.

The four boats apprehended contain (Coden) global positioning system [preceding three words in English] and other sophisticated communications equipment. Wescom is currently investigating the equipment. It has also recently conducted patrol and air cover operations in Kalayaan, but no PRC forces were found.

Government 'Anxious' To Resolve Spratlys Issue

BK2703044795 Quezon City Radio Filipinas in English 0230 GMT 27 Mar 95

[FBIS Transcribed Text] The Philippines is anxious to resolve the Spratly Islands conflict with China and may accelerate talks on the issue after discussions last week in Beijing failed to settle differences, a senior official said Sunday. Obviously, there was a disagreement between us and we agreed to pursue this further, Foreign Affairs Undersecretary Roberto Severino told reporters. We may accelerate it by having another meeting depending on how we assess the situation and if we are both ready. We are not going to wait for a year. [sentence as heard—no attribution]

The two countries are among six countries that claim the mineral- rich islands in the South China Sea. Tensions heightened there last month when Chinese troops built structures on a reef claimed by the Philippines.

On Saturday, the Philippine Navy seized four Chinese fishing vessels sailing near Alicia Annie Island, a part of the Philippine-controlled area in the Spratlys. A government statement said the authorities boarded one of the vessels and found it contained cyanide, which is used by fishermen to [word indistinct] fish in coral reefs. They reported that say what happened to the crew, or how many Chinese fishermen were aboard. [sentence as heard] The box were [two preceding words as heard] brought to Palawan Island for further inspection.

* Aquino Considered Withdrawing Spratlys Claim

95P30076

[FBIS Editorial Report] The 20 February Jakarta BISNIS INDONESIA in Indonesian on page 7 reported that according to former Defense Minister Rafael Ileto, the Philippine Government under President Corazon Aquino had considered withdrawing its claim on the Spratlys and Sabah, because the government felt its defense forces would not be able to protect those areas. The government believes that the risks and cost involved in defending those areas—such as deployment of the military—would be "too high," Ileto stated.

During the 1980's, Ileto said, the Aquino administration had recommended that commercial exploitation in those areas be done through negotiations. However, the proposal was never publicly disclosed, because the administration realized that this would not be politically "advantageous." Recently, President Fidel Ramos has stated that he is hoping China would discontinue its activities and leave the Spratlys.

Bombs Thrown at Singapore Air, Foreign Ministry

Cause Little Damage

BK2603091795 Hong Kong AFP in English 0255 GMT 26 Mar 95

[FBIS Transcribed Text] Manila, March 26 (AFP)—Grenades were hurled at the offices of Singapore Airlines and the Philippine Department of Foreign Affairs Sunday as public anger over Singapore's hanging of a Filipina maid simmered, police said. No injuries were reported in the simultaneous attacks, which coincided with the burial Sunday south of Manila of the maid, Flor Contemplacion, whose execution March 17 seriously damaged Philippine-Singapore ties. The bombings forced police to clamp tight security around the office buildings and also at the Singapore embassy in the Makati financial district.

Capital region police commander Chief Superintendent Jewel Canson said the attacks were carried out simultaneously. Four men aboard a commandeered taxi hurled a grenade at the Singapore Airlines building in Makati at about 6:30 a.m. (2230 GMT), but it fell short and landed at a parking lot of Asian Bank about 20 meters away, Canson said.

At about the same time, others individuals in a passing taxi lobbed a grenade at the foreign department office across town in Pasay City. The blasts caused only minor damage and no injuries, a police official said, adding that the attacks could have been a "political message."

Canson said police are looking into news reports about threats by communist hit men to retaliate against Singapore nationals and Filipino diplomats for the hanging of Contemplacion, who was executed at Changi prison for a double murder.

The 42-year-old mother of four had pleaded guilty to the killing of a fellow Filipina domestic and a Singaporean toddler, but many Filipinos believe she was framed and not accorded a proper trial, and there have been nationwide protests in the Philippines.

Spokesmen for the President Fidel Ramos and the foreign office called for calm and urged Filipinos not to resort to violence.

"That is just meant to scare. They should not use such methods," said press secretary Jesus Sison.

Press undersecretary Honesto Isleta slammed several leftwing groups for having exploited the issue and used it against the government.

"These are acts of agitation. Do they (leftwing groups) want Singapore to really get angry and declare war with us? Will they stand up, bear arms and fight for our country if we have a war against Singapore," he said on radio station DZBB.

"We deplore these acts of violence. We are saddened that there are people who want to show their anger violently," foreign office spokeswoman Susan Castrence said in the same radio interview.

She said that Singapore seemed to be taking a conciliatory stance following a letter by Singapore Prime Minister Goh Chok Tong to President Fidel Ramos.

"We are feeling that their tone is now conciliatory. Maybe they came to their senses because in truth their action on the Contemplacion case leaves much to be desired," she added.

"We are brothers in ASEAN (Association of Southeast Asian Nations). We had hoped that they would show a little sympathy as fellow members...that their actions should not be arrogant," she added.

She said Ramos' request to stay the sentence and hear the statements of two Filipino witnesses who could testify about Contemplacion innocence was not unreasonable.

"If you answer a simple request with an arrogant act, naturally we will get angry," said Castrence.

ASEAN also groups Brunei, Indonesia, Malaysia and Thailand.

Communists Claim Attacks

BK2603105095 Hong Kong AFP in English 1025 GMT 26 Mar 95

[FBIS Transcribed Text] Manila, March 26 (AFP)—A communist urban hit squad on Sunday claimed responsibility for grenade attacks on the Singapore Airlines office here and the department of foreign affairs to protest the hanging of a Filipina maid.

The Alex Boncayao Brigade (ABB) said in a statement that the bombing "signals the beginning of the ABB's hunt for those responsible for the death of Flor and other OCWs (Overseas Contract Workers) in similar predicaments."

It said that the attacks, which coincided with Flor Contemplacion's burial in her hometown south of Manila in the presence of up to 50,000 mourners, were "just a symbolic action that was not intended to inflict harm on anyone."

Four men aboard a speeding taxi lobbed the grenade at the airline's building in the Makati financial district, but it fell short and exploded at the parking lot of a nearby bank, capital region police commander General Jewel Canson said.

The state-run Philippine News Agency (PNA) said an armoured bank car was damaged.

It added that the suspects also opened fire at the building's guards, who returned fire, hitting the cab, but no injuries were reported.

Almost at the same time, taxi-riding suspects also hurled a grenade at the Philippine foreign office in Pasay City. The blasts caused minor damage but no injuries. However, security around the buildings and the Singapore embassy was beefed up.

The statement was sent by facsimile to news agencies and was signed by Marcel Jacinto, public information officer of the ABB, the hit squad of the communist-led New People's Army operating in the Philippine capital.

The group had earlier threatened to harm Singaporean officials and Philippine diplomats suspected of neglecting the plight of Filipinos working overseas.

Contemplacion was hanged in Singapore on March 17 for a double murder, but many Filipinos believe she was innocent.

"This action amplifies the people's outrage against the criminal negligence and apathy of the Ramos government and its agencies," the statement added.

It also called Ramos' downgrading of the Philippine mission in Singapore and threats to cut off diplomatic ties if the conviction was proven unfair as "hypocritical gestures of feigning hostility against Singapore to diffuse" nationwide anger.

Coincide With Flor Funeral

BK2703032795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 26 Mar 95

[FBIS Translated Excerpt] Two bombings took place yesterday [26 March] coinciding with the burial of Flor [maid executed in Singapore]. A grenade was hurled at the Singapore Airlines office in Makati and the office of the Department of Foreign Affairs [DFA]. No casualty was reported in the incidents.

According to reports, the first explosion took place at Gate 2 of DFA at around 0600. Twenty minutes later, there was another explosion at the office of Singapore Airlines. There were no police at the sites. According to a Singapore Airlines security guard, a man got off a taxi and hurled a grenade at the airline office. The grenade landed on the pavement and rolled towards the parking lot where it exploded. [passage omitted]

The Alex Boncayao Brigade [ABB] has claimed responsibility for the bombing. In a letter sent to GMA news room, they said they do not have grand designs but just wanted to show public anger on the fate of Flor Contemplacion. The ABB warned those alleged to be responsible for the case of Flor and other OCWs [overseas contract workers] abused in other countries.

Police has promptly beefed up security at the Singapore Embassy in Makati, although they have allowed rallies to be held by several people in front of the embassy.

Military Exercises With Singapore Cancelled

BK2703021995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 26 Mar 95

[FBIS Translated Text] Despite appeals for the Ramos government and Singapore not to drag into deeper crisis the row sparked by the hanging of Flor Contemplacion [maid executed in Singapore], even military cooperation has now been affected. A high-ranking official of the AFP [Armed Forces of the Philippines] revealed that the government has canceled several joint military activities with Singaporean troops. The (Annua)-Singa Maneuvers, a yearly RP [Republic of the Philippines]-Singapore exercise, has been concluded immediately and other scheduled joint military activities have been canceled. Meanwhile, Singapore has deferred taking action on the Philippine request for access of its meat products into Singapore. The request, made by the government since 1993, is believed to have already been junked by Singapore.

Thailand

Karen Refugees Encouraged To Return to Burma

BK2403162195 Bangkok BANGKOK POST in English 24 Mar 95 p 10

[FBIS Transcribed Text] Tak—Over 70,000 Karen refugees in this northern province are being encouraged to return to Burma now the situation there has returned to normal.

The provincial authorities placed announcements in newspapers and on the radio and television following an official request from Myawaddy for Task Force 34 to facilitate the return of the refugees in an effort to end the conflicts between Rangoon and minority groups.

Refugees who wish to be sent home are to report to authorities at refugee camps or the nearest government office in Tha Song Yang, Mae Ramat, Mae Sot and Phop Phra districts.

Over the past 10 years, more than 70,000 Karens have sought refuge in 13 camps along the border in Tha Song Yang, Mae Ramat, Mae Sot and Phop Phra districts where they have received basic essentials from non-governmental organisations.

Task Force 34 commander Col Direk Yamngamreap said yesterday the situation in areas in Burma opposite these four districts had returned to normal since Rangoon forces had managed to overrun the main Karen National Union bases.

"The refugees will be able to go back home safely. But this depend on them. If they don't want to go, they don't have to. We have never forced them," he said

Tha Song Yang officials said over 4,000 Karen refugees from camps in Ban Huai Manok and Ban Huai Haeng had been repatriated since March 12 through the Mae Ta Wa camp.

One Burmese refugee said over 10,000 Karens, Mons and Arakanese had reportedly defected to the Burmese Government at border towns in the Karen State—Hlaingbwe, Myainggyingu, and Kamamaung—after the seizure of KNU [Karen National Union] bases in Manerplaw and Kawmura opposite Mae Sot.

Army Adviser Urges Mediation in Burma

BK2603124995 Bangkok THE SUNDAY NATION in English 26 Mar 95 p A3

[FBIS Transcribed Text] The Thai government should act as "mediator" in the current fighting between the Burmese government and Karen ethnic minority rebels along the Thai-Burmese border, if it wants to resolve problems of an influx of Karen refugees and to avoid allegations that the government affords help to a certain group in the Burmese armed conflict, Army adviser Gen Kitti Rattanachaya said yesterday.

Kitti said the current fighting between the minority rebels and Burmese troops was similar to that between Chinese communists in Malaysia and Malaysian troops, in which the Thai government successfully acted as a peace mediator for the neighbouring country.

"I think the Thai government should act as mediator between the Karen ethnic minority and the Burmese government".

Kitti said if the Thai government did not intervene, the fighting could be prolonged indefinitely.

"If the Thai government wants to solve the problem of an influx of Karen (refugees) and to avoid accusations by some groups that it still renders help to the rebels, it should act as a mediator responsible for bringing the two sides (together) to sit down and talk reasonably " he said.

* Deputy Premier Sees Burma Ties Improving

95P30073B

[FBIS Editorial Report] The 15 February SIAM RAT in Thai on page 2 published the comments of Deputy Prime Minister Banyat Banthatthan on relations with Burma. Banyat reportedly said that "recently, it can certainly be seen that our relations with Burma are improving. We have exchanges and cooperation in many areas." He also mentioned a natural gas sales agreement between the two countries, which was recently signed.

* NSC Chief: No Review Planned for Burma Policy

95P30073A

[FBIS Editorial Report] The 1 February SIAM RAT in Thai on page 3 carried remarks by National Security Council Secretary General Charan Kunlawanit regarding Thai policy on Burma. Charan said that "even though the United States is reviewing its policy on Burma, Thailand will not review its constructive engagement policy. We have to associate with them. The Burmese Government has a seat in the United Nations as a legitimate government and they have to solve their own problems." He noted that with Thailand's policy toward Burma, the fighting between the government and the "minorities" has dropped off. In response to international concerns that the Thai would push refugees back across the border into Burma, Charan called for the U.N. to "study" the actual situation for themselves and "not just believe the accusations of Thai inhumanity." He added that "the situation is not bad enough" to warrant asking for UNHCR assistance.

Austrian President Arrives on Official Visit

BK2303045895 Bangkok Radio Thailand Network in Thai 0000 GMT 23 Mar 95

[FBIS Translated Text] President Thomas Klestil of the Republic of Austria and his delegation arrived in Thailand at 2105 last night.

The Austrian president and his delegation were welcomed by Deputy Prime Minister General Athit Kamlang-ek, acting on behalf of the Thai Government, and high-ranking officials of the Ministry of Foreign Affairs.

After being escorted to the VIP room of the Royal Thai Air Force, the Austrian president and his delegation proceeded to the Oriental Hotel in Bangkok in the company of Gen. Athit.

The official welcoming ceremony for the Austrian president and his delegation, who are on an official visit to Thailand as guests of the Thai Government, will take place at 1000 this morning at Government House.

At 1015, the president of the Republic of Austria will meet Prime Minister Chuan Likphai at the special room in the Government House. There will then be an official meeting between the Thai and Austrian delegations at 1030 also at Government House during which an agreement on railway cooperation between the two countries will be signed.

At 1440, Chulalongkon University will confer an honorary doctorate in political science on the Austrian president at the university's auditorium.

Welcomed by Prime Minister

BK2403054695 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Mar 95

[FBIS Translated Text] A station correspondent has reported from the Government House that a welcoming ceremony for President Thomas Klestil of the Republic of Austria was held today in front of the Government House. The welcome was accorded by Prime Minister Chuan Likphai and his delegation.

At 1000 the Austrian president arrived at the Government House. Sublieutenant Praphat Limpaphan, deputy minister of agriculture and cooperatives, introduced the visiting Austrian president to the Thai prime minister. The Thai prime minister and Austrian president had their picture taken in front of the Government House.

After that, the Thai prime minister escorted the Austrian leader to the platform to receive respect from the combined military guards of honor. The band played the

Austrian and Thai national anthems respectively. Then the Thai prime minister accompanied the Austrian president to review the guards of honor.

At 1015 the president of the Austrian Republic paid a courtesy call on Prime Minister Chuan at the main hall of the Government House, followed by an official meeting between the Thai and Australian delegations in the conference room.

Meanwhile, at 1430 this afternoon Chulalongkon University will confer an honorary doctorate in political science on the Austrian president.

At 1930 Prime Minister Chuan will host a reception dinner in honor of President Klestil of the Republic of Austria at the Santi Maitri Hall of the Government House.

This is the second visit to Thailand by the Austrian president, after his first visit in 1967. Apart from strengthening closer relations between Thailand and Austria, this visit will also further enchance the diplomatic ties between the two countries, which have existed for more than 126 years.

The Austrian delegation also includes the country's leading businessmen of more than 60 enterprises to inspect investment sites and opportunities for economic development in Thailand. As Thailand is located in the center of ASEAN and Indochina, Austria aims to further expand its trading market to Indochina in the future.

During the consultations, the Thai and Australian delegations are expected to exchange trade information with each other so that the Thai-Austrian trade volume will consequently increase.

As Austria has become a member of the European Union since 1 February this year, Thailand will ask Australia to persuade the EU to expand import quotas for Thai goods. This is because Thailand is worried that import quotas of several kinds of Thai goods, such as textile products, agricultural goods, and canned tuna, will be limited by the EU.

Stresses Economic Cooperation

AU2403114195 Salzburg SALZBURGER NACHRICHTEN in German 24 Mar 95 p 2

[Report by SALZBURGER NACHRICHTEN/APA: "Klestil: Austria Wants To Launch Asia Offensive; State Visit Used for Economic Contacts"]

[FBIS Translated Text] Bangkok—Economic topics were the focus of the working talks that President Thomas Klestil took up with his hosts on Thursday [23 March] on the occasion of his two- day state visit to Thailand. Klestil briefed the Thai prime minister on the Asian offensive that Austria's foreign policy and economy are launching this year.

On Thursday morning a railroad cooperation agreement was signed. Foreign Minister Alois Mock held talks with the foreign and defense minister, and Transportation Minister Viktor Klima with the transportation minister and the interior minister.

Klestil stressed to the journalists accompanying him on his trip that it is also in Austria's interest to expand economic relations beyond the European area. After Austria's entry into the EU, a solution has to be found for quotas and duties. According to Klima, the Thai side indicated its concern about the "colonialist thinking" that is still often contributed by other EU partners. A different course of action is expected of Austria.

Commenting on the railroad cooperation agreement, Klima said that Austria is offering its experience, which may result in orders. The transportation minister referred to successful examples in the Eastern European, north African, and Asian regions. On the basis of such skeleton agreements, numerous Austrian firms have been successful. According to Klima, there is an enormous demand for the development of infrastructure and energy in Thailand.

According to President Klestil, cooperation in the fields of art and culture is also to be intensified.

In addition, Klestil was awarded an honorary doctorate by Chulalongkorn University in Bangkok on Thursday. Before his stop in Bangkok, Klestil had paid a state visit to Indonesia.

Underlines EU Economic Interest

BK2403131795 Bangkok BANGKOK POST in English 24 Mar 95 p 3

[FBIS Transcribed Text] Austria sees Thailand as a gateway to other Southeast Asian nations in terms of economic relations, Deputy Prime Minister Suphachai Phanitchaphak quoted Austrian President Thomas Klestil as saying yesterday.

Yesterday's meeting between Mr Klestil and Prime Minister Chuan Likphai at Government House was attended by senior officials from both Austria and Thailand.

Mr Klestil was quoted as saying that great emphasis is being placed on the European Union's plans for business in Asia. As a new EU member, Austria backs this goal because of the growing importance of the Asia-Pacific region.

Mr Chuan was quoted as saying that Thailand is geographically suitable to be the gateway to other Southeast Asian countries which together have a large population and strong purchasing power.

Mr Klestil suggested that Thailand use Austria as a gateway to the European Union and other countries in Central and Southern Europe.

As Austria has just become a member of the EU, Mr Chuan said he is concerned that Thai exports to Austria may be affected by higher tax barriers which Austria will adopt in line with the EU.

Mr Klestil said exporters from Thailand, a longstanding trading partner of Austria's, should not be influenced by the latter's EU membership.

Dr Suphachai said he asked the Austrian president to urge the EU to treat Thai exports fairly. Thai rice exported to the EU is subject to a tax barrier 70 per cent higher than that of Indian rice, while Thai tuna faces an import tax over 20 per cent higher than Indian tuna.

Dr Suphachai claimed that the EU favours imports from countries which are former colonies, and said that Austria's help is needed on this problem.

Austria and Thailand have economic ties in several fields. Austria has cooperated with the Electricity Generating Authority of Thailand in the kingdom's independent power producers programmes, Dr Suphachai pointed out.

Studies are underway for Austria to invest in steel manufacturing factories in Map Ta Phut, Rayong, as steel is one of six main industries that Thailand is promoting, he said.

Austrian officials informed yesterday's meeting of the EU's plan to invest 150 billion ECUs, particularly in telecommunications fields, during the next decade. This coincided with Thailand's stance of letting the private sector take part in telecommunications projects.

During yesterday's meeting, Austria expressed her interest in artificial jewellery production in Thailand, Dr Suphachai said.

According to the deputy premier, the question of technology transfer and human resource development was raised, as Austria is supporting a technical school in Sattahip District, Chon Buri Province.

There is cooperation between Austrian universities and universities in countries of the Association of Southeast Asian Nations (ASEAN). The cooperation is called the Austrian South-East Asia University Network (ASEA-UNINET).

Mr Klestil discussed ways for the two countries to boost cooperation on environmental protection, Dr Suphachai said.

The Austrian president is on an official visit to Thailand during March 22-25.

Railroad Accord Signed

BK2403161995 Bangkok BANGKOK POST in English 24 Mar 95 p 3

[FBIS Transcribed Text] Austria will help improve railway networks in Thailand and neighbouring countries said Transport and Communications Minister Wichit Suraphongchai.

An agreement on railway cooperation was signed by Mr Wichit and Mr Viktor Klima, Austrian Public Economy and Transport Minister, at Government House.

According to Mr Wichit, Austria will help Thailand in three main aspects: modernisation and expansion of Thailand's existing railway; regional projects to extend railway lines; and modernisation of railway telecommunications.

Under the agreement, bilateral cooperation will include technical assistance through experts and technicians, training of railway personnel, and supply of railway equipment and materials.

Both countries would set up a joint committee to handle cooperation which would yield benefits and create no obligation to Thailand, Mr Wichit said.

Thailand will designate the State Railway of Thailand and Austria the Austria Rail Engineering Osterreichische Eisengahn, Transport Planungs and Beratungsgesellschaft M.B.H.—the company of the Austria Federal Railway for international activities—to be responsible for the agreement.

The agreement will remain in force for three years and extending automatically for successive one-year periods unless either party gives notice to terminate it.

Mr Wichit staged another talk with Mr Klima at the Transport and Communications Ministry later yesterday. The Austrian minister proposed that Thailand develop railway networks to help roads serve public transport, Mr Wichit said.

Meanwhile, Austria said it will take Thailand's request for a special concession of tariff on Thai products to the European Union as a sign of strengthening ties with Thailand and Southeast Asia.

Austrian foreign minister Alois Mock told reporters after paying a courtesy call to his Thai counterpart Krasae Chanawong yesterday that Austria must maintain trade with Thailand following the EU's policy to concentrate on Southeast Asian countries.

King Leaves Hospital, To Postpone Activities

BK2703035595 Bangkok BANGKOK POST in English 27 Mar 95 pp 1, 3

[FBIS Transcribed Text] His Majesty the King left Sirirat Hospital late last night with Her Royal Highness the Princess Mother.

The Bureau of the Royal Household said the King accompanied the Princess Mother to Sa Pathum Palace before returning to Chitlada Villa for further rest and recuperation in accordance with the rehabilitation programme recommended by the royal physicians. They also recommended postponement of royal activities for a period, the bureau stated.

"With great courage and determination, as well as an indomitable spirit, His Majesty rapidly regained his health" after treatment earlier this month when the narrowing of an artery was discovered, it said.

While His Majesty was in hospital, members of royalty, the diplomatic corps, the civil service and the public expressed their sympathy in many ways, including the signing of visitors' books and extending good wishes for His Majesty's recovery.

Touched by their gestures which gave him much pleasure and lifted his spirit, His Majesty graciously commanded that "his profound appreciation be conveyed to one and all".

The bureau said that on a daily basis His Majesty has been dining with Her Royal Highness the Princess Mother, accompanied by Her Majesty the Queen, Her Royal Highness Princess Maha Chakkri Sirinthon and Her Royal Highness Princess Kanlayaniwatthana.

His Majesty entered Sirirat Hospital on March 10 as recommended by the Royal physicians for special diagnostic investigations and treatment.

On the following day, after a narrowing of an artery was discovered, the Royal physicians carried out treatment in enlarging the narrowed vessel by means of a balloon catheter with complete success and without complications.

Afterwards, during the recuperation phase, His Majesty took some exercises by engaging in varied physical movements and gradually increasing ambulatory activity in accordance with a rehabilitation programme.

Vietnam

Joint Commission With Indonesia Meets 22 Mar

BK2403103095 Hanoi VNA in English 1221 GMT 23 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 23—The Vietnam-Indonesia Commission for Economic, Scientific and Technical Cooperation held its second session here yesterday.

The Vietnamese delegation to the meeting was headed by Trade Minister Le Van Triet, and the Indonesian delegation headed by Trade Minister Satrio Budiarjo Yudono.

Activities of the commission over past four years were reviewed with considerable contribution to the two countries' trade turnover increase from USD 70 million in 1990 to USD 300 million in [words indistinct] number of Indonesia's investment projects from three to 11 with a combined capital of USD 161 million.

The two delegations exchanged views on the orientation and measures to boost bilateral cooperation in such domains as agriculture, transport, telecommunication, finance banking and tourism to increase trade turnover, to diversify two-way exchange of goods, and to broaden investment cooperation.

Deputy Prime Minister Meets Delegation

BK2403102995 Hanoi VNA in English 1530 GMT 23 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 23—Deputy Premier Phan Van Khai received here today Indonesian Government delegation led by its Trade Minister Satrio Yudono, now in Vietnam for the second session of the Vietnam-Indonesia Commission for Economic, Scientific and Technical Cooperation. Minister Yudono informed his host of the fine results of the session which led to the signing of the new agreement on trade cooperation in accordance with the situation in each country as well as in the world. He expressed his wish to push up the bilateral cooperative ties on greater scale between the two countries in economic development and trade, and particularly in science-technology, banking-finance, agricultural production,and for-export processing industry. For his part, Deputy Premier Khai expressed his satisfaction at the fruitful development of trade and investment ties, and confirmed the fine and time- honoured political relation, between the two countries. He also expressed his confidence that Vietnam and Indonesia would cooperate more closely and effectively in commercial and economic activities to facilitate new development of each country as well as of the whole region.

SRV-ROK Economic Committee Meets in Seoul

BK2503154395 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Mar 95

[FBIS Translated Text] The SRV-ROK economic joint committee held a second meeting in Seoul on 22-23 March. The SRV delegation was led by Vu Khoan, foreign deputy minister and chairman of the Vietnamese sub-committee. The ROK delegation was led by (Yung Chun-yun), foreign deputy minister and chairman of the ROK sub-committee.

The two sides concentrated their discussion on measures to accelerate cooperative relations under the consensus reached at high level meetings during Prime Minister Vo Van Kiet's visit to ROK in May 1993 and ROK prime minister's visit to Vietnam in August 1994 for the benefit of each country as well as for the interest of cooperation and development in the Asia-Pacific region and the world.

The two sides agreed to continue broadening their trade relations with the aim of making them more balanced. The ROK side agreed to create more favorable conditions for the importation of Vietnamese goods. The ROK side also expressed its satisfaction at the strong acceleration of investment into Vietnam by Korean businessmen. The two sides agreed to further strengthen cooperation in this field, including the construction of an industrial center in Hanoi. They also agreed to quickly complete the necessary procedures for the implementation of a ROK concessional loan to upgrade Highways No. 18 and the Thien Tan water supply plant in Vietnam.

The ROK side said that it would increase financial assistance for Vietnam to improve the infrastructure, develop telecommunications, upgrade education and medical service facilities, expand the electricity transmission network, increase production of locomotives, and so forth.

Minister To Attract More Foreign Investment

BK2603125795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Mar 95

[FBIS Translated Text] The paper NHAN DAN recently published an article by Minister Dau Ngoc Xuan, chairman of the State Commission for Cooperation and Investment [SCCI], on the reform of the administrative procedures to attract more foreign investments.

The article said that reform of the administrative procedures for investment must be carried out on the basis of the one-door principle. We must have an agency directly responsible for effectively carrying out tasks and helping foreign investors save time in dealing with the multifarious state agencies. We should have uniform regulations for this task from the central to provincial levels. Efforts must be made to shorten the period needed for allocating land and granting construction licenses. The period for examining and granting investment projects licenses must be reduced to 45-65 days and for construction projects to 10-20 days.

The SCCI is reviewing various documents to eliminate superfluous procedures so as to take the lead in administrative reform.

If we can effectively adjust and revise our administrative procedures and satisfactorily improve our management policy, by the year 2000 our nation will attract about $20 billion from direct foreign investment projects.

Government Decides on Administration Reform Plan

BK2503083595 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Mar 95

[FBIS Translated Text] The government has recently decided on the plan to implement the resolution of the party Central Committee's Eighth Plenum on the continuation and refinement of the state mechanism with the focus on state administration reform.

In accordance with the plan to implement the party resolution outlined by the party Central Committee Political Bureau, the government has made the plan to reform the state administration system with the objective being a pure, steadfast, and competent administration mechanism. The system will properly exercise power assigned by the state and progress on the way to modernization with higher effectiveness and efficiency in management of all facets of social life. The system will also materialize all party lines and state laws on the way to achieving the targets of a prosperous people, strong country, and an equitable and advanced society.

Based on practical demand, the government has selected some key areas and urgent tasks that need to and must be achieved to create initial changes for the better, primarily in the relationship with the people and businesses to make the administration serve people better as a condition for encouragement of further economic development and other development steps that will be envisaged at the party's eighth congress.

In 1995, the government will focus its guidance in the following tasks:

—To reform administration regulations including administration procedures, restore social order and discipline particularly in municipal management and traffic order and safety in major cities.

—To quickly solve according to law all people's complaints, improve ways to make people informed and encouraged in contributing opinions to law-making process and other state business.

—To renovate the process of making laws and regulations, and improve law enforcement.

—In the immediate future, to study the amalgamation of some ministries, ministerial level organs, other government organs in the blocs of agro-forestry-water conservancy, industry, and economics. To modify functions of some ministries and change their names to suit new functions and duties.

—Ministries to be reorganized in the direction of being leaner, having fewer intermediate bodies, and separating the state management function from production and business management roles. Personnel structure to be rearranged on the basis of position hierarchy.

—Provinces and cities under the management of central government to study re-organization of the structure of offices, sections, and branches to make them comparable with the new structure of the government. To enhance the management role of the people's committee and reduce intermediate bodies to make the structure lighter.

Prime Minister on Anticorruption Resolution

BK2603162795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Mar 95

[FBIS Translated Text] Implementing the Ninth National Assembly's Fourth Session resolution on practicing thrift, opposing corruption and waste, and suppressing smuggling, on 23 March the National Assembly Chairman and the Prime Minister held a conference with the Chief Judge of the Supreme People's Court, the Chief

Procurator of the Supreme People's Organ of Control, and representatives of law enforcement agencies to hear reports on a number of issues. These include the results of the investigation into pending corruption and smuggling cases since 1994, the settlement of land conflicts in Ba Ria-Vung Tau Province, and the application of technical measures against interference with dams and dikes along the Red River, especially the Yen Phu-Nhat Tan section of Hanoi.

The conference noted that during the past period, various law enforcement agencies have made great efforts in organizing and implementing this resolution of the National Assembly on a national scale.

At the conference, the National Assembly Chairman and the Prime Minister asked various functional, inspection, control, and investigation agencies and the court to strengthen their coordination to finally settle the pending cases in the spirit of ensuring justice, punishing the culprits, promoting law enforcement, and maintaining social order and safety.

The conference agreed with the government's lines and policies on stopping illegal acts threatening dams and dikes on the Red River region and the Yen Phu-Nhat Tan section of Hanoi. The conference stressed that ensuring safety for dams and dikes is a very important task. Drastic measures must be taken against violations of the regulations on protecting dams and dikes and promoting strict observation of the state laws.

The National Assembly Chairman and the Prime Minister asked state agencies to improve coordination, especially between law enforcement agencies so as to effectively implement the National Assembly's resolution on practicing thrift, opposing corruption and waste, and suppressing smuggling.

The conference also urged the investigation, control, and court sectors to seriously deal with cases that are of keen interest to the public, such as those involving smuggling, drug addiction, prostitution, and rape.

* Paper, Lawyer Discuss Civil Code Importance

* Paper on Political Significance

952E0062A Hanoi LAO DONG in Vietnamese 9 Feb 95 p 1

[LAO DONG article: "The Civil Code—An Important Political Renovative Step"]

[FBIS Translated Text] After 15 years of preparation, our country's Civil Code has been drafted and published for public comment before it is submitted to the National Assembly for consideration in 1995. The promulgation of the Civil Code is an important political renovative step aimed at creating a legal basis for releasing all productive forces and encouraging all economic elements and strata of population to live and work for the cause of national development and to achieve the objectives of making the people prosperous, the country powerful, and society just and civilized. It is also designed to ensure a stable and healthy communal life and to preserve and develop the tradition of unity and mutual affection as well as the good morals and fine customs of our people. Next to the Constitution, the Civil Code is a law that occupies an important position in our country's legal system.

This is a major code comprising six parts, 32 chapters, 701 articles. (Part I: General Provisions; Part II: Ownership; Part III: Civil Obligations and Civil Contracts; Part IV: Inheritance; Part V: Copyright; Part VI: Civil Relationship With Foreign Factor).

Part of the important significance of the Civil Code is that it establishes the legal standards for civil exchange with a view to strengthening the management of social activities by law along the line of socialist orientation and giving expression to the fine national traditions. Moreover, the code contributes to curbing disputes and negativism in civil relations, promoting healthy social relations, ensuring democracy and justice, and firmly maintaining political stability.

By the end of 1994, the Drafting Committee, which was led by the minister of justice and in which the Confederation of Vietnamese Workers participated, had completed the 11th draft for submission to the Political Bureau of the Party Central Committee for comment.

At its December 1994 session, the National Assembly Standing Committee decided to publish the draft for comment by all the people.

The Civil Code is related to all people in all aspects of life, without exception. Therefore, it is essential and very important that all the people contribute their ideas to the elaboration of the code.

* Lawyer on Aspects of Code

952E0062B Ho Chi Minh City TUOI TRE in Vietnamese 14 Feb 95 pp 1, 11

[Article by H.D.: "The Draft Civil Code—Noteworthy Points"]

[FBIS Translated Text] **The National Assembly Standing Committee recently published the Draft Civil Code for public comment. Following are the views of Lawyer Tran Du Lich, National Assembly deputy and legal assistant to the prime minister, on the draft, as recorded by TUOI TRE:**

The Draft Civil Code comprises six parts, 32 chapters, and 701 articles. The draft institutionalizes most of the civil relations that, under the current conditions, are urgent issues of life. Since there has been the Law on Marriage, the draft, in compliance with many suggestions, does not include a part dealing with marital relations.

The regulatory scope of the draft code is fairly large. In Part I, the code determines the legal status of *the individual, the legal entity,* and other subjects in civil relations such as *the family, the cooperative team....* This part also lays down the principles of determining and implementing the civil rights and duties of various subjects. Highly worthy of note is that this is the first time in our country the protection of *the individual's right to his or her name, surname, and image* is expected to be institutionalized by law.

Part II of the draft sets forth the regulations on *ownership,* including *national ownership, ownership of sociopolitical organizations, collective ownership, private ownership, and public ownership.* A highly noteworthy point here is: Is there any redundancy in *collective ownership* and *public ownership*? Some opinions hold that there are differences between *private ownership* and *individual ownership*; so, is it sufficient for the draft just to determine *private ownership*? The *establishment of ownership according to prescription* (that is, establishment of ownership of those people who have come into possession of property not through purchase, inheritance...but *in a honest manner* and whose ownership has lasted for a definite period) also is a novelty in Vietnam and highly noteworthy.

The draft presents in a very detailed manner a total of 12 kinds of civil contracts. However, further discussion is needed with regards to the contracts for *goods transportation and contractual work,* which naturally fall under the regulation of the Trade Law. So, is it necessary to include these contracts in the Civil Code?

The draft also regulates *payments of compensation for damage outside contract,* including payments of compensation for damage in special cases, such as *compensation in case the injured party is at fault, compensation in case neither party is at fault, compensation for damage caused by a legal entity, compensation for damage caused by state officials....* However, noncontractual responsibility is a very complicated matter, and whether the draft code's stipulations on this issue are sufficient is still open to discussion.

In particular, with regards to the five rights of the individual and the household using land, namely the rights to exchange, to transfer, to lease, to inherit, and to mortgage, the draft code determines that these are essentially the civil rights of land user. Therefore, the draft code has concretized the five rights in the forms of *exchange contract, lease contract, and mortgage contract.*

The Draft Civil Code also includes the content of the regulation on inheritance as Chapter 3 of Part III. In the draft, the content of the regulation is presented in a more concrete manner, and the portion on inheritance according to testament contains some new changes compared with the regulation on inheritance. The draft code also adds a portion on *inheriting the right to use land* with a more concrete content compared with the Land Law.

Finally, the draft code spells out regulations on *civil relations with a foreign factor.* This also is a portion well worth considering carefully and discussing to determine whether the stipulations in the draft affect national sovereignty in any way and whether they are in agreement with the current legal system.

This is the 12th draft of the Civil Code, a code painstakingly prepared, and those who drafted it have handled in a fairly satisfactory manner many relations and many new concepts in our country which are rarely seen anywhere else in the world.

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